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19 DECEMBER 1989



# ***JPRS Report***

# **Near East & South Asia**

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# Near East & South Asia

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## REGIONAL AFFAIRS

### USSR, Syrian Position in Lebanon Viewed

44230028A Tel Aviv 'AL-HAMISHMAR  
in Hebrew 29 Sep 89 p 13

[Article by Pinhas Inbari: "Lessons of the Compromise in Lebanon"]

[Text] In the midst of the "Palestine Week" in Cairo, when everyone was concerned with the fate of the 10 points, and attention was riveted on the important changes in Rabin's conceptions, an announcement came out of Jerusalem which did not conform to the general atmosphere: "Israel will not withdraw from southern Lebanon as long as the conditions for its security have not been ensured." The announcement from Jerusalem was given its correct proportions only at the end of this overflowing week. In Lebanon, a real cease-fire was agreed upon, which made possible the reopening of the Beirut airport, and the siege was lifted from the seaports.

The clarification from Jerusalem hinted to Israelis what every reader of weeklies in the Arab world has known well for some time: A global understanding is crystalizing for linking the Lebanese problem with the Palestinian problem. Interlocutors of the two superpowers are searching for formulas that would suit both problems, which have a common denominator: a solution to the problem of the Palestinian refugees.

The Parisian Lebanese weekly AL-WATAN AL-ARABI had in its last issue a main article with a headline that gave away its contents: "Palestine and Lebanon—The Decisive Bargaining Between the Americans and the Soviets." When the issue came out, the cease-fire had not yet been announced, but the weekly declared with certainty that Lebanon was moving towards an important understanding about its fate, to one's great surprise, not because of any new formula, but because of positions that the Soviet Union had presented to the Arab states on the Palestinian issue. Over the last 6 months, highly significant changes had been perceived in Moscow's policy in the Arab capitals, and the most worried one of all was Syria, which has relied on the support of the Soviet Union over the years.

#### The First Soviet Proposal

At the end of August, the Soviet diplomat Gennady Tarasov toured the Middle East, and everyone was convinced that he was up to his neck in Lebanese affairs. Doubtless, he also engaged in those, but what attracted the Syrians' attention was not the formulas that he pronounced regarding Lebanon, but the Soviet draft proposal for a solution to the Palestinian problem. This was the first time that the Soviets had brought the Arabs a formula for an international conference which was more similar to direct talks than the conference with authority upon which Syria insists. The Soviets were supposed to present this draft at this time in Wyoming, in the United States, at the Baker-Shevardnadze

meeting. Its thrust: the international conference, headed by the UN secretary general and with the participation of the permanent members of the Security Council, and, of course, the parties involved in the conflict. These would convene only for a festive and elaborate opening session, but the actual discussions would be conducted directly between the parties, in subcommittees. The foreign ministers of the powers (it was not stated whether this refers only to the two great powers) would have the right to intervene in the event of any impasse—but only to make proposals. The subcommittees would formulate the decisions, and when everything had been concluded and agreed, the international conference would reconvene for the historic closing session, in order to give the force of an international guarantee to all the arrangements.

This Soviet deviation from the years-long support for the Syrian formulations, the movement towards the American approach, in the hope that Washington would also meet them half way, and would agree to the principle of an international conference, is what convinced al-Asad that he had to relax his positions in Lebanon, before he found himself facing anti-Syrian Soviet formulations also in the Land of the Cedars.

And perhaps the Syrians had also already begun to hear from the Soviets unpleasant things concerning their status in Lebanon? We could get a hint about that precisely from the Jerusalem Palestinian Communist weekly AL-TALI'AH. In its issue of the 9th of this month, the newspaper published news under the headline "A Soviet Plan for the Solution of the Lebanon Problem." According to the article, which relies on Arab sources, Moscow had notified several Arab capitals that, in the end, it would force Damascus to retreat from Lebanon, on condition that the United States would ensure Israel's withdrawal, and that Iran also would withdraw "its Armed Forces" from there. In light of this position, several Arab states would be asked to establish an Arab military force, in order to separate the warring forces in Lebanon, to maintain order, to ensure the conditions for the withdrawal of the Israeli, Syrian, and Iranian forces from Lebanon.

This article is important in itself, and doubly important in that it appeared in a communist publication. Its significance is that the Soviets do not recognize Syria's pretensions for a legitimate presence in Lebanon, and that this presence is filling a negative role similar to that of "the Israeli forces" and "the armed Iranians."

A Syrian-Israeli identity of interests is now developing, which explains the meaning of the statement from Jerusalem last week. At the Belgrade conference of the Non-aligned Movement, at the beginning of the month, the Syrian vice-president, 'Abd-al-Halim Khaddam, said that "Syria has red lines in Lebanon, and it will not allow anyone to cross them, because there is in Lebanon the strategic depth required for our security and we will not relinquish it." Were we to exchange "Judea and Samaria" or "the security strip in southern Lebanon" for "Lebanon," we would have the declaration of an IDF

[Israel Defense Forces] major general on the security requirement on the eastern border or the northern border. Syria and Israel are following with concern the understandings between Moscow and Washington. It is clear in Jerusalem (really?) that just as Moscow no longer hesitates to begin to apply pressure on "its strategic ally," Washington has a similar "strategic ally...."

The linking of the military presence of Syria and Israel (and Iran) turns Syria and Israel into holders of a common interest—neither of them is interested in withdrawing its forces. The moment that the security interests ("the red lines") of Syria are recognized in the Lebanese Valley, despite its being a "foreign conqueror," Israel's interests in southern Lebanon also will be recognized, and, in principle, also Israel's right to security arrangements in the West Bank.

### The Dream of a Greater Syria

Attention should be paid to another aspect of Khaddam's words. He did not link the Syrian presence with the historic right of Greater Syria (another parallel to Israel's claims in the West Bank), but rather with legitimate security needs. He held up the decisions of the Casablanca Conference as a model suggesting the desirable solution in Lebanon. The Casablanca Conference did not call for the withdrawal of all the Syrian forces from Lebanon, an allusion to the willingness to recognize the defense requirements of Syria in the Lebanese Valley.

This does not mean the relinquishing of the dream of a Greater Syria, but it perceives that this is not the time to brandish it. AL-WATAN was correct in maintaining that one of the causes of the breakthrough in Lebanon was the meeting between King Hassan of Morocco and President al-Asad in Libya at the beginning of the month. The weekly says that Hassan and al-Asad had a frank discussion. The Moroccan king expressed the positions of the Arab world that Syria had to awaken from its dream. "If you look at the Lebanese tragedy wisely," said Hassan to al-Asad, "you would be horrified by the results that the Lebanon crisis will wreak upon Syria itself. The world will not allow the realization of the dream of a Greater Syria, and it would be better for you to have a tranquil and stable neighbor upon whom you could rely." [closing quotes supplied] Here, too, the comments are appropriate word for word to the dream of the entire Land of Israel, and the serious consequences for Israel internally and regarding its relations with the Palestinians.

The discussions between Hassan and al-Asad took place behind closed doors, and AL-WATAN does not know what al-Asad said in reply to these words of wisdom. It won't long before Haddam voiced in Belgrade his considered comments, which helped in finding a solution.

The factor responsible for finding the formula was the Committee of Three: the foreign ministers of Algeria, Morocco, and Saudi Arabia, but without the involvement of the powers, it would not have achieved its goal. Not only the Soviet Union played a key role in behind-the-scenes contacts. About 2 weeks ago, Washington

withdrew its embassy from East Beirut, the territory controlled by 'Awn. This was a traumatic event, which clarified for 'Awn that he had pulled the rope too tight. The United States also is not interested in supporting the demand for a Greater Syria, but it is definitely willing to recognize the security sensitivity of Damascus.

### Psychological Pressure on the Christians

On this point, its ambassador got into embarrassing confrontations with 'Awn, who insisted on his demand for a full Syrian withdrawal. The sharp arguments between the Americans and 'Awn were accompanied by dangers to the security of the American ambassadors. John Kelly was forced to depart Beirut more than 6 months ago, at the end of his service there, after a difficult argument with 'Awn. The withdrawal of the entire American embassy following a similar argument between 'Awn and the new ambassador McCarthy, which was accompanied by a threatening Maronite demonstration in front of the embassy, created strong psychological pressure on the Christians. They understood that their stubbornness was hindering the achievement of an arrangement, and was liable to cost them dearly, because it was precisely their Syrian enemies who were beginning to show flexibility.

The Lebanese test is still before us, although we should not belittle the importance of the breakthrough of the very achievement of a cease-fire. The Lebanese parliament must still be convened in order to decide on the election of a president, on constitutional reforms, and on the institutionalization of the communal reality that was determined by the civil war. The Druze, for example, are threatening to secede from Lebanon and to join Syria.

Israel also must now examine carefully the Lebanese balance sheet, whether to prefer the linking of interests with Syria, or to go precisely in an anti-Syrian direction, which began with Rabin's discussions with Mubarak. In Lebanon there are also beginnings in this direction. For some time, we have not heard that the Air Force has bombed the bases of the pro-Egyptian and anti-Syrian 'Arafat in Lebanon, and for some time we have not heard about a Fatah unit on Israel's northern border (let's not speak too soon). There is, in effect, a cease-fire in Lebanon between Fatah and Israel, and there, too, is the potential for an exciting development in the future.

### 'Eyewitnesses' Report Soviet Jews Emigrating Via Egypt

45000054 Cairo AL-SHA'B in Arabic 21 Nov 89 p 5

["Akhbar Mamnu'ah" column]

[Text] Eyewitnesses coming from Moscow have told "Akhbar Mamnu'ah" that they found a surprise on the plane carrying them to Egypt; the great majority of its passengers were Soviet Jews emigrating to Israel via Egypt. After their arrival in Cairo, private cars carried them overland across the Sinai to occupied Palestine. "Akhbar Mamnu'ah" has learned that more than 1,000

Soviet Jews have emigrated in this way in recent weeks. We offer this information to Foreign Minister Ismat 'Abd-al-Majid, requesting an investigation. We are afraid that, in the end, we will discover that the country's officials have some idea about this secret emigration.

**GCC Defence Cooperation Emphasized**  
44000059B Manama GULF DAILY NEWS  
in English 1 Nov 89 p 4

[Article: "GCC Defence Co-Operation is Arab Model Says Minister"]

[Excerpt] Interior Minister Shaykh Muhammad Bin Khalifa Al-Khalifa yesterday praised security co-operation between the GCC [Gulf Cooperation Council] states.

He was speaking at the opening of the GCC Interior Ministers' conference, in Riyadh.

"The GCC provides a successful Arab model, which is appreciated and followed not only at Arab level, but also by regional and international gatherings," said Shaykh Muhammad.

"These achievements could not have been accomplished without constant support for security co-operation between member states," he said.

Shaykh Muhammad said the main concern of GCC interior ministers had been to establish a firm basis for co-operation between security bodies at all levels since they first met in Riyadh in 1982, he said.

**Peace Trends**

"This may seem easy in theory, but in practice it needs constant effort and flexible responses, so that fruitful results can be achieved in the field of security plans," said Shaykh Muhammad.

"Such plans go beyond the borders of our countries and provide a security umbrella based on the protection of the joint supreme goals and interests of the GCC states," he said.

They also take into consideration current developments at international, national and regional levels.

Shaykh Muhammad said; "I take this opportunity to register my appreciation for the efforts made by our leaders to establish security and stability in all Arab and Islamic countries.

"They have exerted great efforts until the eight-year-old Gulf war was brought to a halt and are still continuing their efforts with all parties concerned to bring to our region," he said. [passage omitted]

**Iran Reportedly Ready To Strengthen Gulf Ties**  
44000059A Manama GULF DAILY NEWS  
in English 20 Sep 89 p 2

[Article: "Iran Ready To Boost Gulf Ties"]

[Excerpt] Iranian President Rafsanjani yesterday stressed his country's willingness to expand its relations with Gulf Arab nations.

In a related development, the head of the foreign relations committee of Iran's parliament. Sa'id Raja'i Khurasani, said there was no reason to refrain from resuming diplomatic ties with Saudi Arabia, the Islamic Republic News Agency said.

Rafsanjani made his comments at a meeting in Tehran with the newly appointed Iranian ambassador to the UAE [United Arab Emirates] Muhammad Ali Hadi Najafabadi.

Rafsanjani emphasised Iran's willingness to further expand its relations with Moslem and neighbouring countries, the agency said. [passage omitted]

**Jordan 'Played a Role' in Settling Egyptian Workers Issue**

45000057 London AL-MAJALLAH  
in Arabic 5 Dec 89 p 13

[Excerpt] By virtue of the three countries' membership in the Arab Cooperation Council [ACC], Jordan played a role in settling the crisis related to the Egyptian workers' situation in Iraq. Tariq 'Aziz, Iraqi deputy prime minister and foreign minister, visited Amman, where he met with King Husayn and other Jordanian officials and delivered a message from Iraqi President Saddam Husayn to the Jordanian monarch. Jordanian sources said that the object of these discussions was to acquaint Jordanian officials with the reasons behind the departure of thousands of Egyptian workers in Iraq who were returning to their country.

Political circles in Cairo expressed optimism over resolving the crisis in light of activity by Presidents Saddam Husayn and Husni Mubarak and of meetings by the Egyptian-Iraqi Supreme Council, in addition to efforts on the part of the Jordanian monarch and a number of Arab leaders. [First Deputy Prime Minister] Taha Yasin Ramadan, who visited Cairo and met with Egyptian officials, asserted that the Egyptian workers issue is all but resolved.

**Arab Debt Crisis Analyzed**

90OL0103C Manama AKHBAR AL-KHALIJ  
in Arabic 19 Sep 89 p 9

[Article: "Arab Debt Crisis—How and Why Has It Worsened?"]

[Text] The worsening problems of Arab foreign debt and the high debt rates of the Arab states, which face difficulties in repaying these debts, have come to form the greatest of the challenges now facing the Arab world. All efforts by the debtor countries, either individually or through financial institutions and Arab financing funds, to find solutions to these problems have to date uniformly ended in failure.

### Reasons for Debts

The recent economic and financial report prepared by Dr Henri 'Azzam, head of the economic department of Gulf International Bank, ascribes the main reasons for the Arab debt crisis to the sharp rise in consumption and import rates and to the large deficits in general budgets and foreign accounts during the last 10 years. The problem has also been aggravated by increasingly high debt servicing rates and by the flight of capital overseas. While the Arab debtor countries do not form a homogeneous group, they by and large share a narrow productive base and an excessive reliance on a limited number of exportable commodities. Like other developing countries, the Arab debtor countries have recorded tremendous deficits in general budgets and foreign accounts because of ambitious development projects implemented during the past decade and because of the investment of enormous sums in public sector projects. During the period, foreign financing was readily available due to excess liquidity in financial markets. Many developing countries borrowed excessively, attracted by the availability of financing and low interest rates.

The report points out the following common features of the debt servicing problem in the Arab region:

1. Bad management of the public sector: This has been reflected in the recording of repeated large deficits in general budgets. These deficits have largely been funded either by monetary expansion, leading to an increase of inflationary pressures, or by foreign loans, leading to subsequent debt servicing problems.
2. The flow of tremendous amounts of capital from the private sector to overseas because of the limited nature of domestic investment opportunities, low return on these investments, the danger of future expropriation of this capital, or the erosion of its value because of inflation and a fall in the value of the local currency.
3. Low domestic savings levels, increased reliance on foreign capital because of the absence of developed capital markets to attract these funds, and the maintenance of negative real interest rates, with monetary authorities generally intervening to preserve low interest rates or at least to maintain these rates at levels lower than the inflation rates.
4. An exchange rate that remains above the real value of the currency, leading to erosion of the price competitiveness of exports, and encouraging speculation in expectation of a future currency devaluation.

5. Increasing government interference in production and pricing policy, and public sector institution domination of a large proportion of domestic production.

6. The short term nature of the debts contracted, with many countries financing long-term development projects through short-term loans.

7. Excessive reliance on foreign aid and remittances from citizens working overseas—unstable sources of income, not to mention their being subject to influence by foreign factors: For some of the countries, such as Jordan, Morocco, North Yemen, Sudan, and Syria, this source constitutes over 40 percent of their current account revenues.

8. A high rate of population growth in many Arab countries, with the consequent need for governments to follow expansionist financial and monetary policies without the availability of the required resources to fund these policies.

9. Reliance by many Arab countries on one or a small group of exportable commodities: Jordan and Morocco, for example, realize 40 percent of export revenues from phosphates and potash, while the Sudan realizes 60 percent of export revenues by means of a few agricultural crops, especially cotton.

Arab debts are distinguished by the fact that a large part of them are loans on easy terms. This fact is reflected in the ratio of debt service to the total foreign indebtedness of the Arab states as a whole. During the period 1982-87, this figure ranged between 1 and 13 percent. It was much lower than this rate for many of the Arab countries: In 1987, the figure was 6.1 percent and 4.1 percent for North Yemen and South Yemen respectively, while Morocco was able to reduce it to 6.1 percent by rescheduling its debts or delaying the scheduled time of repayment. These two measures also contributed to reducing this figure for Egypt to 4.2 percent for the year 1987.

On the whole, the foreign debts of Arab debtor countries are essentially long-term debts advanced by official sources. The share of commercial banks in these debts does not exceed 35 percent, compared with 67 percent for the countries of Latin America. In 1987, long-term loans amounted to 87.3 percent of total Arab foreign indebtedness, short-term loans stood at 15 percent, and credits advanced by the IMF (less than 18 months) were 1.4 percent. These figures are not very different from what they were for the period 1982-87. Furthermore, Arab long-term debts are mostly debts belonging to the public sector or guaranteed by governments; unguaranteed private debts are almost nonexistent, with the value of debts of the latter category not exceeding \$1.5 billion for the year 1987.

### Foreign Debt Indexes

Although Arab debts form a small portion of the total foreign debt of the developing countries as a group, the burden of these debts has continued to grow unabated



throughout the decade of the eighties, so that it has approached the levels characteristic of some countries and regions of high indebtedness. The average ratio of total foreign debt to total domestic product for Arab debtor countries reached 65.8 percent in 1987, compared to 52.5 percent in 1982. This high figure causes concern because it exceeds the corresponding figure of 63.1 percent for the 17 biggest developing debtor countries in the world according to debt tables prepared by the World Bank. The situation is much worse for some Arab countries, such as Egypt, the Sudan, Jordan, and Morocco, where this ratio exceeds 100 percent.

Another of the solvency indexes, the ratio of debt to current account revenues, has also continued rising within the Arab debtor countries as a group. This figure rose for the group as a whole from 140.6 percent in 1982, to 145.6 percent in 1987. For the Sudan and Egypt, it reached 1,125 percent and 423 percent respectively in 1987. This deterioration is mainly attributable to slowing export growth, rising interest payments on foreign debts, and declining unanticipated revenues (worker remittances and foreign aid).

Until 1987, debt servicing burdens remained relatively low. One of the important liquidity indexes, that of debt service to export revenue, rose for the Arab debtor countries as a group from 18.3 percent in 1982, to 22.6 percent in 1987. While the indebtedness of the Arab countries rose by 57 percent during the period 1982-87, we find that total debt servicing rose only 17.6 percent. But one should bear in mind that the latter figure passed the danger level of 35 percent last year for some countries, including Algeria (62 percent) and Morocco (38 percent).

Other liquidity indexes, such as [the degree to which] foreign reserves could cover monthly imports (the liquidity deficit ratio), showed some decrease during the last 2 years. According to figures issued by the IMF, there were three Arab debtor countries (Oman, Tunisia, and Libya) able to cover their imports for a period exceeding 2 months in late 1988. The remaining countries could cover imports for a shorter period, ranging from 1 to 2 months (schedule 3). For six countries the liquidity gap exceeded 60 percent. This indicates the high proportion of short-term loans out of total loans payable in the Arab region.

One should note that the average term of new loans to the Arab countries has become shorter. The due date of obligations decreased from an average of 19 years in 1980, to an average of 15 years in 1987. This change can be ascribed mainly to the short-term nature of the new credits from sources of private credit. The countries most affected by this decrease have been those whose reliance on commercial loans instead of official sources has increased, such as Algeria, Oman, and Morocco. On the other hand, debt rescheduling agreements recently signed by Morocco and Jordan have extended the term of their loans. Morocco, for example, was able to reduce the ratio of short-term bank debts from 45 percent in

1987, to 25 percent for the current year, with long-term bank debt increasing from 40 percent to 60 percent of the country's total debts.

The secondary market for circulating Arab debts is very limited and covers only 3 percent of the total international market for such debts. During the last few years, this market has witnessed only a limited number of swapping deals, focused mainly on the debts of Algeria, Morocco, Tunisia, Egypt, and Iraq, and to a very limited extent the Sudan. Market prices for the June-August period of 1989 ranged from 75 to 80 percent for Algeria, 40 to 45 percent for Morocco, 38 to 40 percent for Egypt, and 4 to 6 percent for the Sudan. Compare the following: Brazil 33 percent, Argentina 19 percent, Chile 65 percent, Poland 40 percent, the Philippines 54 percent, and Turkey 97 percent.

### Foreign Debt Management

Following sound policies to manage Arab foreign debts will guarantee the provision of enough time for the affected countries to implement required structural changes in their economy. For example, these countries can try to benefit from the Brady plan to lower and restructure their debts. Some Arab countries, such as Iraq, Jordan, Algeria, and Egypt, can apply the experience of Morocco, which rescheduled its debts for longer terms and negotiated a decrease in interest rates in order to relieve the burden of debt servicing. In addition, it was prepared to convert part of the debts into shares in local companies in order to encourage investment in productive projects.

During the debt rescheduling period, Arab debtor countries ought to implement structural reforms aimed primarily at restoring citizens' confidence in the economic system, stopping the outflow of capital, and attracting foreign investments to the country. In the initial stages, many Arab countries will not be able to free up the economy as rapidly and as much as the IMF usually recommends. The affected countries must move to evaluate the effects of these reforms on citizens of different economic levels. The reform process could be slow and difficult in view of considerations touching on political and social stability. Furthermore, it could require the replacement of the social legislation most hurt by such austerity policies. The most important elements of the required policies include the following:

### Lowering Financial Deficits, Funding Them Appropriately

The stability of the economy as a whole depends on lowering public deficits to levels that can be funded in noninflationary ways and without overburdening the banking sector. While the ratio of the budget deficit to total domestic product is between 2 and 4 percent in the developed countries, we find that this ratio in 1981 exceeded 22 percent for North Yemen, 17 percent for Jordan, and 8 percent for Egypt and Algeria. Governments have generally turned to financing their deficits through borrowing from central banks. This is a step that

leads to an increase in the money supply, and in many of the countries it is raising inflation rates. By comparison, government borrowing from commercial banks does not raise inflation rates to the same extent; however, it leads to lower bank profits and a shrinking of funding sources for the private sector. Borrowing by issuing indebtedness instruments to be sold to individuals and institutions is considered to be one of the best means of funding the domestic deficit. Many of the Arab countries can begin to establish a market for government bonds, provided that the governments are prepared to pay competitive interest rates.

### Arab, Israeli Nuclear Development Studied

90OL0103B Manama AKHBAR AL-KHALIJ  
in Arabic 19 Sep 89 p 11

[Interview with Dr 'Isam al-Din Jalal, chairman of the U.N. Consultative Committee for Science and Technology, by al-Sayyid Zahrah: "The Arabs and the Israeli Nuclear Challenge"; place and date not given; first paragraph is AKHBAR AL-KHALIJ introduction]

[Text] In the second part of our interview with Dr 'Isam al-Din Jalal, we round out the discussion of Arab technological backwardness by raising the issue of scientific research in the Arab homeland—research that constitutes a fundamental requirement for technological progress. Then we move to the current relaxation in relations between the two great camps and to the future of the trend toward nuclear disarmament. We raise the issue of the Israeli nuclear danger and how the Arabs should deal with it. We ask Dr Jalal a question that occupies many minds: Do the Arabs have the ability to produce the atomic bomb?

### Scientific Research

[AKHBAR AL-KHALIJ] In the first part of the interview, you alluded in passing to the issue of scientific research—research that constitutes a fundamental requirement for achieving technological progress. To round out the conversation, it seems important for us to point out in more detail the state of scientific research in the Arab homeland.

[Jalal] Scientific research is the foundation of modern advancement. Since the beginning, human advancement has been based on scientific research—ever since man arrived at the ability to kindle fire as a beginning of control over the sources of energy and at the rolling of a stone as a first step toward transportation and movement.

Scientific research in modern times is becoming more complex, specialized, and costly. We need only realize that in 1988 the developed world spent about \$450 billion on scientific research. Millions of people work in this area—millions with advanced education and proficiency. The process of training and educating them is very costly and becomes more and more so as scientific research advances and becomes more complex. The

management of this entire operation is very complicated—more so than the management of any economic or commercial entity you can imagine.

Most developing countries do not possess the facilities that would enable them to achieve great progress in this field, either because of a lack of human or financial resources or because of a lack of expertise and inheritance.

However, the Arab world cannot plead any of these excuses. As for expertise and inheritance, Egypt began to keep up with international technological development from the beginning of the nineteenth century—i.e., before a number of European countries.

As for human resources, Egypt alone has ½ million trained people capable of bearing responsibilities. Indeed, Egypt's problem has now come to be the attempt to reduce their numbers. For the first time, the government is laying down a policy and strategy of reducing the numbers of people with scientific research training, because it is unable to use their talents, or even part of them.

Furthermore, there is no problem in regard to financial resources. For example, I recently read a report stating that by the most pessimistic estimate the Arab world still has deposits abroad in excess of \$76 billion.

The advancement of scientific research is a process that cannot take place overnight. It has a time dimension that it must take. It is a process that cannot be aimed at self-sufficiency, for it must cover part of what is required and must share in a give-and-take with the rest of the world. It is a process that requires a great deal of nurture and an increasingly large amount of management.

Therefore, all time lost without good use of the resources in this field is critical.

In terms of statistics, the Arab world has about 184 research centers. If we want to be objective and practical, most of these should not be called "research centers" by international standards. But assuming that we can come out with 10 world-class research centers from them, this represents a foundation from which one can set out toward new horizons.

In sum, as I have indicated, we started with the structural framework in a country like Egypt more than a century ago. The human resources are prodigious, with college graduates in the Arab world numbering more than 1 million a year. Also, a large part of financial resources are not being used beneficially.

But more important than all this, we must judge the use of these resources not only by the criterion of financial return, but rather by the criterion of the developmental, cultural, and security accumulations to which such use leads.

### International Relaxation

[AKHBAR AL-KHALIJ] I would like to move the conversation to another issue, one also connected to the issue of technological development: the international

arms race, especially in the nuclear field. I know that for many years you have been very interested in issues of disarmament and development. As you know, many developments have recently occurred in this field. What is your initial evaluation of these developments?

[Jalal] In addition to the problems of scientific and technological development, I am also concerned with the security implications of the technological revolution. The motive for my interest is our need to keep up with the dialogue between the two giants and to follow developments in the worsening or relaxation of relations between the two camps, things which naturally affect the security of the Arab world.

Through my membership in international forums interested in this subject, I have kept up with the dialogue between the two camps throughout the last 20 years.

In the final analysis, the nature of military balances and their security implications has changed. These balances are no longer based as they once were on human armies that can be mobilized, on geographical dimensions, or on abundance of bravery and military spirit. Instead, the balance has come to be based on a purely scientific and technological foundation. Superiority in this area has become the criterion for a society's place on the scale of armaments.

To realize how far international competition in the field of weapons has gone, we need only realize that the developed world spent at least \$45 billion on military technology this year. In the context of this competition, the concepts of security, war, and peace have completely changed.

Only through an awareness of such international changes, their future direction, and their international and regional effects can one deal with the requirements of national and pan-Arab security.

We in the Arab world are a part of the world and an important area of friction. International developments, international strategic balances, and international crises and relaxations therefore have an extremely critical impact upon us.

Many changes have occurred. The media have dealt with some of them, and they are probably well known in the Arab world. It is known, for example, that the severity of the friction between the two camps has lessened and that some aspects of agreement and mutual understanding have begun to appear. This trend has had political reflections such as a tendency to solve regional conflicts and to give the United Nations roles in this area. These reflections also include offers to reduce certain kinds of weapons—removing medium-range missiles from Europe, for example. The Soviets have offered to reduce land forces by about 1/2 million soldiers and to reduce the thousands of armored forces. They have promised to negotiate on the reduction of part of the strategic nuclear arsenal.

We must not forget that the two sides have more than 50,000 nuclear warheads, capable of destroying the earth several times over. A tenth of this quantity would be enough to destroy all the installations of both sides.

[AKHBAR AL-KHALIJ] Do you think that this relaxation in relations between the two camps and this trend toward reducing certain kinds of weapons has removed the danger of nuclear confrontation? What is your general assessment of the future of the issue of the nuclear arms race?

[Jalal] One should not abandon oneself to all these phenomena. In the final analysis, the danger of confrontation and conflict does not come from the size or number of nuclear warheads; it comes from the scientific and technological race that develops them. Take as an example the medium-range missiles that caused the crisis in the late seventies, a crisis from which an escalation of the confrontation emerged. These weapons represent only 3 percent of total nuclear capacity. Why has their removal caused this universal joy? One cannot explain it by the size of the destructive force of these weapons, but by their nature.

On the American side, the Pershing missile has been removed. It could be launched from West Germany to destroy the central command centers in the Soviet Union in 3 and 1/2 minutes. From the Soviet point of view, it was therefore considered to be a strategic weapon. Destruction of the control and administration centers means that you remove the mind and eyes of the armed forces. This weapon was therefore destabilizing and provocative. The nature of the technology is what gave it this nature. It was therefore necessary to abolish the technology embodied in the weapon.

On the Soviet side, the weapon that has been removed is the SS-20, which was introduced to replace the SS-4. Its danger was that it was very accurate, mobile, and had multiple warheads. Because of these characteristics, it was also considered a provocative and destabilizing weapon.

Thus, what has taken place is agreement that provocative and destabilizing weapons that incite a first strike must be removed to create a degree of stability and rationality. As for total destructive capacity, it remains as it was.

As for the future, the danger flows from the fact that the feverish technology race continues. In the next 5 years, the necessary research is about to be completed on 50 new systems. Many of these systems are provocative and destabilizing.

There is, for example, the so-called third generation of nuclear warheads. These are tailored to cause extreme destruction or extreme radiation. This third generation will multiply military effectiveness, especially offensive effectiveness.

There is also the second generation of cruise missiles. These are supersonic, undetectable by radar, and very

accurate. They are small in size, inexpensive in price, and producible in large numbers. They are a provocative missile, since they cannot be monitored.

There is the silent generation of nuclear submarines. They are hard to detect and can remain at the bottom of the sea for months on end.

There are dozens of such systems. The current relaxation of the crisis is therefore threatened by the danger of being interrupted and by entry into a new cycle of tension.

### **American Rashness**

[AKHBAR AL-KHALIJ] But where exactly does the Arab interest lie in stopping the nuclear arms race in the world?

[Jalal] Arab security requires that this series of successive cycles of relaxation and tension should be ended. We should therefore encourage the halting of this technological race.

Nuclear disarmament, deepening disengagement in regional problems, and supporting the role of international organizations—all these things are still hopes; they do not represent realities. The international balances do not promise the realization of these hopes. We must therefore double our efforts and pressures and our following of these changes.

On the regional level, we are confronted by a close and immediate danger, that of Zionist aggression. It is a danger that arises partly from advanced technological development due to America's incomprehensible rashness that allowed Israel to obtain destructive technologies such as nuclear warheads, antimissile missiles, and the most advanced kinds of military aviation and electronics.

This extreme and provocative technological leap was not based on domestic capability, but on the fact that the door was thrown open for Israel to dip into American technology. What makes it even more dangerous is that it lies in the hands of a political leadership that, as all historical experience indicates, is irresponsible and inhumane. The nature of the leadership increases the danger of the weapons.

This kind of Zionist danger naturally forces us to intensify our following of international changes. We must be ready to abort the enemy's attempts to use such weapons.

### **Israeli Nuclear Danger**

[AKHBAR AL-KHALIJ] We cannot talk about the issue of nuclear danger without bringing up the immediate danger that threatens us—the Israeli nuclear danger. It has been proved that the Israeli enemy possesses nuclear weapons. The basic issue now before us is how the Arabs can deal with this Israeli nuclear danger. How do you view the issue?

[Jalal] All the evidence available to us indicates that Israel through theft and collusion with the NATO countries has been able to acquire an enormous nuclear capability. Certainly, the Arab world cannot accept remaining under this threat. At the head of the Arab world is Egypt. It, in the end, is the basic strike force, deterrent force, and protective force for the region from the historical point of view.

How are we to deal with this danger?

In my view, the best method at the present time is to deal with it politically.

Many analysts think that it is an important military development when the Arab world obtains capabilities such as missiles. In reality, however, it is more a political than a military development.

The shock that resulted when Saudi Arabia obtained Chinese missiles was not due to the danger of striking Israel with them. Basically it was due to the danger of independent Saudi decisionmaking without American tutelage. Israel was confident as long as the Arab world's only source of military strength was an America obedient to the orders of the Zionist entity. It considered that to be the main guarantee of security.

Similarly, Kuwait's decision to import weapons from the Soviet Union breaks the Zionist tutelage that was exercised through American tutelage.

Such steps make clear the importance and effectiveness of the Arab political weapon.

If an Arab consensus develops to force the alliance responsible for the development of Israel's nuclear force to remedy this danger, which also threatens European and Soviet security, and if Arab political will unites, it could lead to international moves to force Israel to sign a nuclear disarmament treaty.

Thus, the political approach is in my view the logical and desirable one. I do not think that the military approach—entering the nuclear arms race—can be an Arab option, unless Israel, with the complicity of its supporters, insists on continuing this threat and hinting at its use.

We should not take the nuclear option voluntarily, but out of compulsion.

### **We Can Produce the Atomic Bomb**

[AKHBAR AL-KHALIJ] But if the Arabs had no other option than the nuclear one, does the Arab world possess the necessary facilities and capabilities to produce the atomic bomb?

[Jalal] How to produce an atomic bomb is no longer a secret. During the seventies, an American student was able to publish a true plan for the atomic bomb.

The theoretical foundation for nuclear weapons is within reach of Arab scientific capabilities. Naturally, the matter

requires a technology transfer whose problem is time and cost. The cost does not represent an obstacle; the time depends on the national priority that is given to it.

The problem is that in order for this decision to be made there must be clear political choices.

This means, first, that the Arab world becomes convinced that Israeli expansionism is a permanent and otherwise irremediable characteristic of this regime and that Israel's strategy is based on the idea of comprehensive destruction.

It means, second, that the Arab world reaches the conviction that all political means to prevent confrontation and conflict have been exhausted.

Such a decision should precede preventative mobilization because the decision would tend to effect relations in the region as a whole and relations with the two major camps.

In my opinion, the two camps are not prepared to complicate their relations and stir up dangers by entering the nuclear race.

In my opinion, there is a joint interest in this regard between Egypt and the Atlantic and Warsaw pacts. If pressures are mobilized, this option can be averted.

In addition, there are growing sectors within Israel that have begun to realize that military boisterousness is dangerous to the Israeli entity itself and that it might end with a destructive blow that would shake the entity's political structure and population make-up, causing spontaneous collapse from within.

## PALESTINIAN AFFAIRS

### Changes, Appointments Made in Palestinian Diplomatic Corps

44000095 London AL-MAJALLAH  
in Arabic 14 Nov 89 pp 8-9

[Text] AL-MAJALLAH has learned from responsible sources in the PLO that the Palestinian leadership is determined to complete the transfers and appointments which were recently initiated, including those in most of the Palestinian embassies and offices in Europe, east and west, and in some other countries. According to these sources, Palestinian embassies and offices in London, Paris, Brussels, Vienna, Yugoslavia, Rumania, Greece, Moscow, Amsterdam, Geneva, Madrid, Cyprus, Bulgaria, Turkey, and some Southeast Asian countries are included in the transfers. It remains a firm judgment that Ibrahim Abu-Lughd will be barred from accepting an offer because he is the coordinator for Palestinian affairs in the United States. Likewise, some of the ambassadors and office chiefs who were included in the transfers have hinted at submitting their resignations in protest. Among these are Ibrahim al-Sus, Paris office chief, Hilmi Hanun (Abu-Firas) [parentheses as published], Palestinian

ambassador in Ankara, and Hasan 'Abd-al-Rahman, director of the Palestine information office in Washington. According to the same sources, 'Afif Safiyah, PLO office chief in Amsterdam, will replace Faysal 'Uwaydah in London, and al-Sus will move to Brussels, with Shawqi Armali replacing him in Paris. At the same time Hikmat Zayd will move from Budapest to Ankara and Fu'ad al-Baytar will move from Athens to Bucharest. It is being mentioned that Da'ud Barakat will move from Vienna to Geneva to replace Nabil Ramlawi who is moving to Madrid. Regarding the Arab world, nothing is yet clear, but some information lists the Palestine embassy in Algiers as being among the scheduled and proposed changes.

### Palestinian Intellectual Notes Changes in Intifadah

TA0612183189 Tel Aviv HADASHOT  
in Hebrew 4 Dec 89 p 6

[Text] According to Muhadi 'Abd-al-Hadi, chairman of the Palestinian think tank in Jerusalem, the intifadah "is no longer in the newspaper headlines, it is at the bottom of the superpowers' agenda, and it is causing very little disturbance to life in Israel." 'Abd-al-Hadi believes that "the intifadah has failed to achieve political goals. The mood is one of frustration and confusion. There is no clear conception of the future, no political leadership." He added that "the character of the confrontation has changed. The mass demonstrations which characterized the intifadah at the beginning have disappeared, and now the struggle is being concentrated in games of 'cat and mouse' between the Israeli army and the masked activists." According to 'Abd-al-Hadi, "Israeli officials say that the change indicates that the Arab population is tired. Palestinians say that the change reflects only a change in tactics, not belief in the struggle."

## BAHRAIN

### Arbitration Center To Boost Island Status

44000058B Manama GULF DAILY NEWS  
in English 29 Oct 89 p 5

[Article by Indira Chand: "Arbitration Centre To Boost Island Status"]

[Text] High-level moves are being made to put Bahrain on the international law map.

Minister of State for Legal Affairs, Dr Husayn al-Baharnah, said yesterday that work was underway in setting up a centre for international arbitration in Bahrain.

"Laws are in the process of being drafted for the setting up of such a centre," he said

Dr al-Baharnah has just returned after attending the third Euro-Arab Conference on Arbitration in Amman, Jordan.

The Minister leaves tomorrow for New York to attend a session of the (sixth) legal committee of the United Nations General Assembly.

The session, which begins tomorrow, will last until November 10.

At the Amman congress, Dr Baharnah chaired a session on 'Arbitration in the Arab World'.

"We are in the process of drafting laws for establishing of an arbitration centre," said Dr al-Baharnah.

He said Bahrain took its first step in this process two years ago when it acceded to the 1958 New York Convention on recognition and enforcement of arbitral awards.

"The next step is to pass a law on the establishment of an international arbitration centre," said Dr al-Baharnah.

"We are preparing for this step now," he said.

Dr al-Baharnah said international jurists and experts were being consulted on draft laws for the centre.

#### **Island Ranks 4th in Arab Bank Assets**

44000058C Manama GULF DAILY NEWS  
in English 29 Oct 89 p 15

[Article: "Island Ranks 4th in Arab Bank Assets"]

[Excerpt] Manama: Bahrain has nine banks in the Arab world's top 100 financial institutions, according to a new reference book.

The island is in fourth place in total Arab bank assets, with its nine biggest banks contributing total assets of \$34 billion (BD12.8 billion)

This puts Bahrain behind Saudi Arabia, Kuwait and Iraq, with 8.5 per cent of total bank assets, according to Arab Banking and finance 1990. [passage omitted]

#### **Work To Start on Island Copper Plant**

44000058A Manama GULF DAILY NEWS  
in English 26 Oct 89 p 1

[Article by Colin Young: "Work To Start on Island BD16m Copper Plant"]

[Text] Work will start later this year on a new BD16 million copper tube plant in Bahrain—the first in the Middle East—creating up to 270 jobs.

The 75,000 sq metre factory, to be built in the North Sitra industrial area, will produce 12,000 tonnes of tubing a year.

But it is being designed with potential to double the capacity, said 'Abdallah al-Kubaysi, general manager of 'Isa Bin-Mubarak al-Kubaysi, the island firm behind the project.

The scheme is being carried out by the company, along with Belgian group Boliden, which has similar plants in Belgium, Sweden and France.

Construction of the new plant by Tractebel Engineering International of Belgium will start before the end of the year and will take 18 months.

The factory will make copper pipe for water supply and airconditioning units, copper-nickel tube for desalination plants and busbar plate for electrical circuits.

Mr al-Kubaysi said raw material would be supplied by the Oman Mining Company, with about 4,000 tonnes of copper scrap a year coming from Gulf states.

Bahrainis would be recruited and trained, as the workforce is eventually built up to 270, he said.

The GCC [Gulf Corporation Council] market for copper tube is about 20,000-40,000 tonnes a year, said Mr al-Kubaysi.

## **EGYPT**

#### **AL-SHA'B Criticizes U.S. Aid as Political Pressure**

900A0071A Cairo AL-SHA'B in Arabic  
17 Oct 89 pp 2, 5

[Article by Mahmud Bakri]

[Excerpts] The purpose of American aid to Egypt is ostensibly to offer economic assistance to Egypt, while America conceals its real purpose behind that aid, which is to serve America's political goals in the region. It has been seen over the past years, that during the time President Husni Mubarak has been in power, there has been much political and economic debate over the aid program, and during that period Egypt has been severely criticized by many American officials over the volume of that aid, and the way it is disbursed. But in any case, the aid represents a pressuring weapon which the American administration brandishes from time to time against the Egyptian government; moreover, figures confirm that 93 percent of the volume of aid goes to pay interest on debts owed by Egypt; in other words, what America gives with the right hand it takes with the left.

The issue of aid is a matter of extreme importance in the relationship of the United States to other states, especially Third World states, at the forefront of which is Egypt. One thing that confirms this fact is the secret agreement between the American administration and the American Congress regarding the aid, an agreement which AL-SHA'B is publishing exclusively.

This agreement is renewed automatically when a new American president comes to power, and it is always used as a basis when the American program of economic aid to foreign states is discussed. As reports indicate, the history of this agreement goes back to the early seventies, when the economic and ideological struggle between the United States

and the Soviet Union intensified. The agreement stipulates the following: Since the conflict with the eastern camp is a protracted one, and the means or framework to check the Soviet influence in the various countries of the world is not determined, and since there is a long range American strategy in various regions of the world, this strategy needs real tools that will work to implement it. The components of these tools must break the severity of eastern influence, and work to protect the foundations of the capitalist system in the short and long term.

#### **Economic Weapons**

The agreement adds: Military conflict in its direct sense has become something unthinkable in light of the current complicated international military situation, and in light of the nuclear developments that mean partial or total destruction of all who take part in such military acts; and various countries of the world have achieved certain political gains, embodied in the adoption by their governments of national policies that remain aloof from the existing conflict between the capitalist camp and the socialist camp. In view of all that, it became necessary that the components of the implements conform to the current situation. Therefore, we have determined that the economic weapon has become the basis in determining the fate of the conflict with the socialist camp, and the other capitalist states must be made aware of this fact, even if the use of the economic weapon puts pressure on some aspects of domestic spending. This is because the nation would not be hurt if some aspects of living declined within, but it would be hurt if one of the basics of its strategy fell short of achievement or implementation.

Therefore the agreement affirmed that American economic aid must be used as the strategic basis to achieving long range goals, on condition that this aid be directed essentially to states that are in important, influential regions, and which would safeguard American strategic endeavors. Aid would be given on condition that the amount be determined on the basis of the policies of those states, and the extent to which they agree with the short and long range goals of American policy.

The agreement reports that the actual building up of America, and maintaining its military strength, as well as preserving the goals of the capitalist system in its entirety, will proceed from these states.

The agreement urged Congress in its various sessions not to see this issue as a debate between the American administration and the Congress, except within limits that do not threaten American interests in various regions of the world.

#### **A Special Situation**

If this agreement outlines the dimensions of the American aid policy, then American administrations have given Egypt special consideration in view of its strategic position in the region. Though the United States may in the past have failed to subjugate Egypt by dangling aid

and assistance in front of it from one year to the next, it seems that since 1977 Egypt has attained greater importance within the context of American policy after it had tried to achieve some of its goals in the region. The most important of these goals is preserving the interests of the capitalist system, which lie in petroleum and the protection of the important sea lanes, as well as securing the Mediterranean Sea, and other unannounced goals.

Reports confirm that former President Sadat, through the direct contacts that he had with former American president Jimmy Carter, had informed the American administration of his understanding of the economic situation in Egypt, which was extremely critical to the Egyptian government, especially after the cutoff of Arab and Soviet aid.

At that time Sadat obtained a promise from President Carter. The condition which Carter imposed at that time was that peace with Israel be protected, that steps taken towards it be continued, and work be done to increase bilateral ties between the two sides.

#### **Conditional Aid**

When Sadat accepted what Carter had proposed, American aid began to pour into Egypt in earnest, though not in the form that had prevailed before; moreover, most of it was tied to political conditions. In early 1979, Egypt requested that the American administration increase monetary aid by \$350 million in monetary aid, and by \$400 million in indirect aid. At that time Egyptian-Israeli relations were somewhat cool because of the escalation of events in Lebanon, such that Egypt frankly criticized the military actions in Lebanon. That induced the American administration to require that Sadat not take such positions. An assistant to the American foreign secretary who visited Cairo and met with Sadat explained that his government could not agree to increase economic aid to Egypt at a time when it did not respect the fundamentals of American policy in the region, which called for political cooperation between Egypt and Israel, so as to protect the region from outside threats (!), for the normalization of relations between the two countries, and for the conclusion of a trade protocol with the Israeli government.

The assistant to the American secretary of state warned the government at that time against further criticizing and taking unwelcome positions towards Israeli policies in Lebanon, indicating that Egypt did not have the right to criticize Israel in Lebanon except within the limits permitted by the American administration. [passage omitted].

#### **• Egyptian-Israeli Projects by Coercion!**

Following that, the government was surprised by a request from the American administration asking that it enter into joint economic ventures with Israel. The American side indicated in its request that the administration would help with more than 50 percent of the



funding needed for the projects, if the Egyptian government would agree. The American request concentrated on the notion that these projects ought to be the nucleus of broad economic cooperation between Egypt and Israel. At the end of the request it was revealed that the American administration was currently engaged in studying increasing monetary aid to Egypt, and this was a hint from Washington that it would agree to increase aid if Egypt would agree to such economic projects.

As the government tried to get further clarification on the American request, and the goal for which it was aiming, Washington responded that it would prefer to set up such projects in the Sinai with the goal of developing the region in a joint framework between the two countries.

Reports at the time indicated that Israel had sent a request to the American administration in which it expressed its fears of the consolidation of Egyptian-Arab relations, indicating that the development of such relations would directly threaten Egyptian-Israeli relations, especially since there had begun to be repeated calls from Arab leaders on various occasions for Egypt's return so that it could carry out its natural role in the Arab League. Israel wanted to prevent Egypt from returning to the Arab League once and for all, so it submitted this request to the American administration on the pretext of preserving the nature of the joint relations between Egypt and Israel, but Egypt had rejected these demands which Washington made.

In general, the Egyptian economy does not really benefit from American aid, especially since the monetary aid is evidently extremely small, 5.2 percent of previous spending. That has induced Egypt to constantly ask for an increase in the monetary portion. It asked that there be additional aid, on condition that there be a monetary form so that it could benefit from it, and the increase is estimated at \$550 million.

But as usual, every economic request that Egypt submits to Washington is countered by political demands. This time the first American demand was that Egypt ought to work to encourage the policies of spreading economic chaos at the behest of the government, reduce state involvement in the mechanism of the market, and comply with the rest of the conditions of the International Monetary Fund.

#### American Determination

Even though the government has explained to Washington the serious consequences that could result from this, the American administration is determined that Egypt comply, and to this end it has promised to give economic aid, and also to increase monetary assistance. As for the second request, it involves the importance of Egypt trying to persuade concerned Arab states to accept proposed American ideas on solving the Arab-Israeli conflict, all of which revolve around the concept of "direct negotiations" as the basis to solving the conflict.

When Egypt expressed some reservations to these American ideas, Washington forgot about the Egyptian request. [passage omitted]

Discussions had taken place in November 1987 [passage omitted].

Whenever the economic crisis in Egypt intensified, and whenever the government's economic requests increased, it was surprised by a number of American political demands, and the Middle East problem always comes to the forefront of American concerns. Its demands this time involved the exchange of delegations and Egyptian-Israeli meetings in Cairo and Tel Aviv to propel naturalization forward, and agreement on a program on the course of peace in the region, on condition that Egypt persuade Jordan and the Palestinians to go along with it. These demands were presented to Egypt following discussions that took place between President Bush and the Israeli Prime Minister Yitzhaq Shamir, in which the latter asked the American president to work to convince Egypt to cooperate with the fundamentals proposed by the Israeli side on solving the dimensions of the conflict.

#### Intense Debate

A big political debate has erupted over remarks made by Egypt on the American demands, the primary effect of which was to block Egyptian economic requests. The role played by the Zionist lobby in Washington came as no surprise; it played a role in freezing the value of monetary aid to Egypt, which is \$230 million, half of which was released after Egypt complied with the conditions of the International Monetary Fund.

In light of all that, can the government do without American aid? How far can it go in that direction?

To begin with, we ought to acknowledge certain basic facts, which are the extent to which American aid affects the decrease in the deficit in the balance of trade, which is greatly affected by the volume of this aid or its increase, as has been explained above. Such aid represents an important source of foreign currency at a time when Egypt is suffering from a crisis in sources of foreign currency, something which leaves its mark on Egypt's foreign indebtedness and repayment of late installments on debt interest. But in rejecting many of America's political demands, Egypt is trying to expand its economic relations with the Soviet Union and the Arab states. Thus the basic aspect of Egyptian-Soviet economic cooperation is to set up projects in industry and energy and other economic agreements. That is in addition to Arab-Egyptian cooperation, especially in light of the activation of fields of cooperation with the Gulf Cooperation Council and the Arab Maghreb Union. Under the circumstances brought about by the establishment of the Arab Cooperation Council, Egyptian dependence on American aid could be reduced. Doubtless a reduction in the importance of the political role of American aid will force the American administration to change many of the principles upon which it operates



with respect to Egypt, and that will be in the interest of independent Egyptian political determination.

**Article Accuses U.S. of Giving 'Bright Star' Data to Israel**

90OA0133A Cairo AL-SHA'B in Arabic 15 Nov 89 p 3

[Article by Mahmud Bakri: "Why Were 'Bright Star' Maneuvers Postponed Three Times? Egyptian Military Reports Warned of Danger of Maneuvers With Foreign Countries, America Supplies Israel With Precise Details of Its Maneuvers With Egypt"]

[Excerpt] [Passage omitted] Negotiations about the maneuvers were resumed after General Yusuf Sabri Abu-Talib succeeded Field Marshal Muhammad 'Abd-al-Halim Abu-Ghazalah as defense minister. In his first negotiations with American military commanders visiting Cairo, America continued to insist on including some secret [Egyptian] plans in the joint exercises. General Abu-Talib, for his part, asked about the American plans that would be implemented in the maneuvers.

The American response was that during the maneuvers the United States would inform Egypt of some secret parts of American military plans. These parts were extremely important because they came under the heading of restricted plans for the defense of the Middle East and other parts of the world.

General Abu-Talib replied that the secret parts of American military plans did not concern Egypt, inasmuch as they involved American objectives and movements in different regions of the world. But the preservation of [Egyptian] military secrets was a requirement of Egyptian national security.

According to important Egyptian military reports, Egypt's repeated rejection of the American demands primarily expresses Egypt's concern and fear about the dimensions of cooperation between the United States and Israel. In particular, information has now confirmed that Israel monitored Egyptian maneuvers with the American side with remarkable accuracy and was able to take pictures of the stages of these maneuvers, which were held in 1984-85. Also, agencies of the American Pentagon supplied Israel with even more information about these maneuvers.

The reports added that even if exercises on the Egyptian secret plans were carried out with a degree of obscuration and vagueness, the United States would have possession of the details of these plans. If a military confrontation ever broke out between Egypt and Israel, the United States would inform Israel of all the details. [passage omitted]

**Al-Azhar Shaykh Criticizes Israel Before Swedish Delegation**

90OA0134B Cairo AL-NUR in Arabic 8 Nov 89 pp 1, 4

[Article: "Al-Azhar Shaykh to Swedish Delegation: Israel Violated Arab Region's Security; West Is Behind Iraq-Iran War"]

[Excerpt] His Eminence Shaykh Jad-al-Haqq 'Ali Jad-al-Haqq, al-Azhar shaykh, has asserted that Israel has violated the Arab region's security and safety and has violated the sanctities in the occupied territories, both Islamic and Christian.

The shaykh made this assertion during his meeting last Thursday with a Swedish parliamentary delegation which included representatives of the Swedish parties.

Al-Azhar shaykh said that Israel has not observed the international resolutions issued by the United Nations and the human rights organizations and that it has persistently attacked the Islamic sanctities, violated the sanctity of mosques, and burned some mosques.

The shaykh added, "Israel has also attacked the churches. The latest proof of such acts is its recent attack on the pastor of the Coptic Church in Jerusalem."

His eminence, the grand imam, revealed that the western countries ignited the Iraq-Iran war and were the cause behind the ongoing Arab-Israeli conflict and that their objective is to undermine and destroy Islam.

The al-Azhar shaykh added, "We are not hostile to the Jews as Jews. We antagonize the Jews for their acts and actions, for their wrath at the Muslims, for their repeated attacks on the sanctities and for their constant violations of the Palestinians' rights and liberties."

His Eminence Shaykh Jad-al-Haqq reaffirmed that he is prepared to mediate between Iraq and Iran to end the disputes existing between them, if Iran agrees to such mediation. [passage omitted]

**LIWA' AL-ISLAM Interviews Housing Minister**

90OA0123A Cairo LIWA' AL-ISLAM  
in Arabic 1 Nov 89 pp 12-14

[Interview with Engineer Hasaballah al-Kafrawi, Egyptian minister of housing, utilities, and new communities, by Muhammad 'Abd-al-Qadus; first two paragraphs are LIWA' AL-ISLAM introduction; date and place not specified.]

[Excerpts] Minister of Housing, Utilities, and New Communities, Hasaballah al-Kafrawi, is one of the senior ministers and has occupied his post for more than 10 years. This minister is different from many leaders of the government and the ruling party, in that he is close to the people, simple and modest, without haughtiness or pretensions.

Engineer Hasaballah al-Kafrawi was most cordial in his first interview with LIWA' AL-ISLAM, and is proud of

his excellent efforts in the ministry during the past 10 years. However, he did not deny the existence of problems either. According to him, he welcomed the interview with the Muslim Brotherhood magazine, and was not reluctant, unlike other ministers who put off, hesitate, and ultimately make excuses.

#### The Housing Minister's Surprise

[LIWA' AL-ISLAM] Why does the housing crisis continue, despite your intensive efforts to solve it over the past years? Certainly, this crisis has long-standing roots, going back to the lack of scientific planning to meet the major increase in population.

[Al-Kafrawi] This is true, but more than that, the cause of the crisis goes back to erroneous policies that were followed in the sixties, which resulted in the flight of capital from the housing sector. These policies included rent reductions, nationalization, and decreasing investments in Egypt in general. Society's capabilities stagnated in all sectors; the socialist system that we had for so long was very restrictive.

[LIWA' AL-ISLAM] The fact is that the minister of housing's view was a complete surprise to me, because this view regarding the cause of the housing crisis was very similar to the views of the Islamic movement, many of the opposition groups, and broad segments of the people. [passage omitted]

One of the most important of the Minister of Housing's accomplishments in this area, of which he is proud, is that the rate of establishing housing units multiplied 20 times during the eighties, despite all the obstacles. Eight housing units per 1000 citizens were built annually, whereas it had been less than 5 units per 1000 citizens. It is worth noting that international averages in this area range between 7 and 11 units per 1000, which means that Egypt now is in line with successful countries in this area. [passage omitted]

[Al-Kafrawi] We have concentrated our efforts on building simple housing without the finishing touches. We have built 400,000 units, located in all parts of the republic. Their costs, in accordance with their floor space, range between 8,000 and 10,000 Egyptian pounds, of which the buyer pays 10 percent. He then receives his house in not more than a year. This means that all he is required to pay initially ranges between 800 and 1000 pounds. The rest is paid in installments over 27 years, after which it becomes his property.

[LIWA' AL-ISLAM] Undoubtedly, unfinished housing is very bad. The owner will be charged hundreds and thousands of pounds in order to add the finishing touches himself. It is as if you had done only half the work! You build an apartment, and then you give the burden of finishing it to its owner!

[Al-Kafrawi] Hey, this is better than nothing, or than waiting for many long years. The fault of some of our youth is that they are in a hurry. They want everything

done for them. They still are at the beginning of their lives. I don't see any harm in a young man receiving an apartment and getting married in it. After establishing himself and reaching his manhood, he can finish it. The apartment is in fact habitable. It is not at all as bad as you said. Each housing unit has two windows facing in opposite directions, permitting continuous and good ventilation for each unit.

[LIWA' AL-ISLAM] The Minister of Housing stressed that delivering the apartment to its owner without being finished has many advantages. Economically, for example, this method can provide the largest possible number of housing units, and save on building materials. This idea has other advantages as well, on the social level. Families and requirements vary and differ from one family to another. Consequently, it is possible for the users of the housing unit to partition off the empty space inside and channel it for various uses according to the family's needs and activities. The only important thing is to provide a basic house for the resident.

#### III-Treatment of Tomb Dwellers

The subject over which I completely differed with the Minister of Housing was the matter of the tomb dwellers. I think of them as from the poor classes, living on the bottom rung of society. The country must concentrate its efforts on moving them from the midst of the dead! The Minister of Housing's view was the opposite of that. He sees them as "well-off. Their situation is not bad to the degree that you have stated. They have television sets inside the graveyards, and the vast majority of them own transportation! However, they don't want...they have become used to a free life among the dead!" [passage omitted]

[LIWA' AL-ISLAM] My view is that this is an outrage against the people. The people complain about the housing crisis, while millionaires are building apartments that can only be owned by a very limited number of people. Why doesn't the state intervene in order to put an end to this farce and outrage, and encourage capitalists to build housing for the middle classes, instead of concentrating only on luxury housing?

[Al-Kafrawi] My belief is that the state should only intervene when necessary. The cause of the housing crisis goes back to state intervention in the sixties. Market forces and supply and demand play their roles in a normal manner. It is not odd that one apartment should cost thousands of pounds in a building overlooking the Nile; its location is responsible for that. The owner wants to profit, and he can do that so long as it is legal. After a while, the market will become saturated. The owner will not find anyone to buy an apartment for the thousands of pounds that he wants. He will be forced to reduce the price that he asks, until he meets the state in the middle of the road. He is responsible for housing those above middle class, while the state concentrates its efforts on serving the middle and poor classes. As for the severe

measures, they will not lead to "driving out" construction money, but will deter those who are corrupt. The new housing law strengthens the penalties for corrupt persons in the housing area. For example, the law specifies that the penalty for erecting a building or making one higher without a license is confiscation. This is a deterrent, and makes the perpetrator think harder before venturing to put himself under penalty of the law.

#### Astronomical Figures

[LIWA' AL-ISLAM] My interview with the Minister of Housing also dealt with the building materials crisis, which is one of the basic causes of the housing problem. I said that material costs have risen "fabulously," as never before. The prices have reached astronomical heights in a very short time. The price of wood went up in 1988-89 from 350 Egyptian pounds to 800 pounds. Iron in the free market has increased in the same year from 500 pounds to 1100 pounds, and cement from 53 pounds to 82 pounds. Tool prices have increased more than 50 percent. What has the ministry done in this regard?

[Al-Kafrawi] I acknowledge this excessive rise in prices, but we must differentiate between local materials and imports. Cement, for example, is manufactured locally and, thank God, we have overcome that crisis. Egypt's production of cement was 3 million tons in 1977, but totaled 15 million tons this year. There is no crisis. We prohibited the importation of cement after we became self-sufficient. Despite the rise in price, cement factories are losing money. We could put an end to those losses by raising the price of cement over what it is now. However, we stopped at a specific point, which is the price you mentioned in your question. It is a reasonable price, comparable with world prices. As for iron and wood, we import them from abroad, and the big increase came in fact after the rise in the price of the US dollar. [passage omitted]

[LIWA' AL-ISLAM] Many houses built by the government in the new cities are unoccupied, despite the housing crisis. Is that from poor planning in choosing the site?

[Al-Kafrawi] Not at all. Every city differs from another. Each one has its special circumstances. For example, the 15th of May City has a high rate of occupancy, while certain other cities have problems, such as a city in which a company undertook to build, and then stopped.

#### Opposition Party Infighting Intensifies

900A0139A Cairo AKHIR SA'AH  
in Arabic 8 Nov 89 p 7

[Article by Zakariya Abu-Hiram: "Sharp Divisions and Disagreements Within Opposition Parties; Nasirists and Labor Flirt; Disagreements Among Liberals"]

[Text] What is happening in the Egyptian parties' arena? What is the current condition of the opposition parties' map? What limit has division and disagreement within the parties reached? What is the story of the talks the Labor Party is currently holding with Nasirist elements to join the

party? What is the Muslim Brotherhood's position? Why did the opposition parties' leaders fail to agree on a unified party action formula in their recent meeting?

It is certain that the division and disagreement developing in the opposition parties' arena may lead to a greater gap between these parties and the ordinary citizen. They may also lead to more of the deficiency from which these parties suffer, considering that to date they have not played a prominent role in dealing with the national issues that concern the Egyptian society. Moreover, the ordinary citizen has not felt the strength and efficiency of these parties, considering that their role has been confined to opposition for the sake of opposition, that they have not offered practical and positive solutions through a national dialogue, and that they have become the captives of walls and mere newspapers. And now come the divisions to shake their mainstays from within.

A careful examination of the divisions developing within the opposition parties' map throughout the past months shows how shaken their mainstays are. As Muhammad Farid Zakariya, the Liberals Party assistant secretary general has said, these divisions are the result of a scheme of some elements that do not believe in party plurality and that do not work to entrench the mainstays of the democracy which President Mubarak is supporting and building.

#### Nasirists and Brotherhood

Even though the divisions developing in the Labor Party date back to last March, the reunification endeavors said to have been made from time to time have not borne fruit and are even complicating matters further. Reports were leaked recently about secret negotiations conducted by Labor Party Chairman Engineer Ibrahim Shukri to attract a number of elements of the Nasirist Socialist Party (currently in the phase of formation). These elements' accession will raise several questions: Can some sort of cooperation be established between the Nasirists and the Brotherhood? Will this reunification attempt come at the brotherhood's expense?

'Abd-al-Hamid Barakat, the Labor Party organization affairs secretary, has explained the dimensions of the Labor Party's reunification attempts, saying that contacting the Nasirists as a party or a group is illogical because the issue here is an issue of merging one party with another. In such merger, one party will certainly cede some concepts to the other to develop a minimum agreement limit. This is out of the picture. But what has happened is that the party sees no objection to meeting with any Nasirist figure, be he from the Nasirist Arab Socialist Party which is in the phase of formation, from Kamal Ahmad's Nasirist Party, or from neither party.

For my part I see, as the Labour Party, this figure as a figure who has an Islamic awareness that agrees with what I advocate. This dictates that I raise with such elements the issue of their joining the party. I believe that this has been

done with al-Sayyid al-Ghadban and with Ahmad Abu-al-Futuh. They are both Nasirists and they have joined the party. This is the course we are following.

As for the impact of this issue on the relationship between the Labor Party and the Muslim Brotherhood, 'Abd-al-Hamid Barakat has said: I would like to note an important point, namely that there are no Muslim Brothers in the Labor Party. The Muslim Brotherhood has its independent organizational entity which has not merged with the Labor Party. The relationship between us and the brotherhood is one of coordination in the parliamentary body. This dictates coordination of all the positions we take, even outside the parliamentary body. All the Labor Party cadres and leaderships in the party's various committees are members of the Labor Party who believe in the party, in its program, and in its tendency which emanated from the party's fifth congress, held 9-10 March 1989. We work to attract the elements that are close to and in agreement with our ideology and tendency and that believe in our party's program. I don't believe that the Muslim Brotherhood interferes in such issues. I recall that during the 1987 elections, the Labor Party agreed with the brotherhood that the 23 July revolution issue would not be raised. The brotherhood adhered to this agreement in all the conferences and symposiums it held during the election campaign. The situation continues to be unchanged and the commitment is still valid.

#### **Brotherhood and Labor Party**

Ma'mun al-Hudaybi, the brotherhood representative at the People's Assembly, has asserted that he has no knowledge of the reported contacts between the Labor Party and elements of the Nasirist Party. He said: The brotherhood has nothing to do with such matters. In any case, this is an issue that concerns the Labor Party and this party acts as it deems fit. As for the impact of such contacts on our alliance with the Labor Party, there is no cause for any assumptions. We do not anticipate the developments and we do not base our judgments on groundless speculation. As brotherhood, we do not interfere in the Labor Party's affairs or in its management at any time. We have nothing to do with its internal affairs. We are members of the Labor Party's parliamentary body and we do, naturally, attend this body's meetings to discuss parliamentary affairs. There has been no disagreement.

Ahmad Mujahid has emphasized that he has no knowledge of what is occurring between the Labor Party and the Nasirists and that these contacts have been a surprise to him. However, he did not exclude the possibility that the Labor Party would make any effort in this regard now that this party is, in Mujahid's viewpoint, experiencing a crisis and is losing its supporters, except for a small group which has rallied behind the party for tactical reasons. Because of this stifling isolation, the party has been compelled to flirt with members of the Nasirist tendency who have been the closest to this party.

However, I doubt that anybody from the Nasirist tendency can ally himself with the Labor Party.

If the divisions within the opposition parties have taken the form of dual party leaderships, then the content is different. The Labor Party dissidents attribute the disagreement to an ideological cause. Ahmad Mujahid has noted that in the 9-10 March congress, Engineer Ibrahim Shukri characterized party members as secularists and Islamists, declared that he does not stand neutral between the two wings and that he is aligned with those he calls the Islamists. He threatened to abandon the party leadership if those he called the secularists won in the elections. Shukri thus announced the transformation of the party from a party which believes in the socialism and democracy stemming from Islamic sources into an indeterminate Islamic religious party.

Consequently, the disagreement between us and them [Shukri followers] is ideological. It is also a moral disagreement connected with the rigging of elections. 'Abd-al-Hamid Barakat, the Labor Party organization affairs secretary, sees that the disagreement between the party and Ahmad Mujahid is purely personal. The dissidents, led by Mujahid, are people who lost in the elections. They had believed that they were the party's masters and notables and that their loss in the Executive Committee election was an atrocity. So the disagreement is not intellectual, ideological, or religious. Ahmad Mujahid was the party deputy chairman.

Mujahid cooperated closely with the brotherhood and he personally explained the party's Islamic tendency at popular rallies. He lauded the Muslim Brotherhood leadership at all conferences. The slogan we raised at our congress last year was the slogan of "comprehensive reform from an Islamic perspective." Ahmad Mujahid approved the slogan most strongly. So the issue is not ideological or intellectual.

#### **Split in Liberals Party**

If disagreement and dissension in the Labor Party have assumed a dimension that is ideological in nature, then the disagreement and dissension within the al-Ummah Party have taken the form of financial, administrative, and organizational violations which have been attributed to the party chairman. The Democratic Front seeking to correct the Liberal Party's course has drafted 10 objectives to correct the party's course. All the objectives are organizational and administrative and include no ideological motives.

The disagreements and dissensions are not confined to members within the same party. The parties' arena has seen the early signs of a crack in the Liberals-Brotherhood alliance. The latest Consultative Council elections demonstrated some aspects of the deficient coordination between the alliance's three parties during the election campaign. There were even some actions which harmed and annoyed some of the candidates, especially in the Liberals Party. Muhammad Farid Zakariya, the Liberals Party assistant secretary general,

is one of those candidates. Those actions compelled the party Chairmanship Council to meet to discuss them.

### Contagion Extends to al-Ummah Party

As for the al-Ummah Party, the party General Secretariat convened in Alexandria Governorate on 4 October 1989 and formed the party's Political Bureau at that meeting, according to Engineer Ramadan Abu-Lubdah. Yesterday, Tuesday, al-Sayyidah Zaynab Court of Misdemeanors examined four lawsuits filed by al-Sabahi and Abu-Lubdah against each other. The cases focus on the question of who is entitled to the party chairmanship.

In the Liberals Party, the dissidents continue to hold contacts whereas sources close to the party have asserted that the situation is somewhat frozen insofar as the dissidents are concerned. Meanwhile, the party is preparing to hold its congress next December.

It seems that dissension has turned into a contagion and that nobody will escape the contagious bug. Observers assert that the early signs of dissension have begun to pose a threat to al-Wafd Party. Observers find it likely that dissension will explode next year within the Grouping Party during the third congress which the party will convene and in which it will elect its leadership. This is why all the opposition parties have become convinced of the need to coordinate in order to draft a unified formula. This is something which the parties have failed to accomplish throughout the past phases. Elections and the election campaigns have always been the points at which the opposition has renounced its pledges.

The meeting held by the opposition party chairmen and representatives of the various political and national forces in the middle of last month to discuss a proposed democratic reform document drafted by a committee which included representatives of the various political forces was tantamount to another step, as party circles assert, to restore the slogan of unification to the forefront of the parties' relations. It was also tantamount to an attempt to revive the 'Abidin conference which the opposition held on 5 February 1987. This conference is considered a model of the unified action which all the parties seek to revive. Even though observers assert that the parties failed to develop a unified formula in this [latest] meeting, Ma'mun al-Hudaybi, the brotherhood representative, has said that it was not the objective of this meeting to form a unified leadership. This is something which had not occurred to anybody's mind and it was not raised for discussion. The meeting was intended to discuss how to confront what the parties view as endeavors against the democratic application which the parties believe provides the available margin of freedom.

This is what motivated the opposition parties, despite the fundamental ideological differences between them, to try to develop a formula to confront these endeavors.

It has been decided to hold a popular rally on occasion of the Struggle Day on the 13th of this November. As brotherhood, we believe that even though the Struggle

Day was defined after 1919 as al-Wafd Day, it is in fact a national day which precedes the creation of al-Wafd. Two individuals who were not members of al-Wafd, namely 'Abd-al-'Aziz Fahmi Basha and Ahmad Basha Sha'rawi, participated in making this day.

Ma'mun al-Hudaybi has asserted that there was no disagreement at the recent meeting of the opposition parties. The meeting did not issue any document but the popular rally which will be held on the occasion of the Struggle Day may issue a statement reflecting the aspirations and goals which we are seeking and which top the list of concerns at the present time. If these aspirations and goals are not accomplished, no party or political force will be able to engage in its activity.

### Opposition Parties' Statement Demands Protection of Rights

90OA0134A Cairo AL-SHA'B in Arabic 15 Nov 89 p 8

[Article: "Statement and Appeal to Egyptian People"]

[Text] On the strength of the faith in man's freedom and in his rights that are guaranteed by the divine religions and international charters and out of belief in the Egyptian people's right to express their will and to select their rulers; at a time when the state of emergency has been declared with no realistic basis to support it, when the authorities have expanded the arrest of citizens with no legitimate cause, when matters have reached the point of detaining children and hostages, storming mosques, degrading the judiciary, inspecting the homes of judges with no permission from their higher council, abusing People's Assembly members and flouting their immunity, pursuing the political parties' leaderships and curtailing their freedom which is guaranteed by the constitution; when torture has become a means of oppression employed by the ruling regime without any conscientious deterrent and without any sense of shame, and when this torture has turned into whips lashing the bodies of citizens from all levels and all intellectual tendencies;

At a time when the authorities have persisted in escalating their violation of the country's constitutional entity by refusing to implement final judiciary decisions and by using the emergency law in a manner that steers it away from the objective for which it was legislated, thus turning this law into a means to revoke decisions absolving citizens by refusing to ratify these decisions with the objective of retrying such citizens, whereas convictions are ratified when the authorities imagine that such convictions are the way to intimidate and terrorize;

At a time when the country's economic conditions have worsened as a result of declining production, when corruption, deviation, and the misuse of public money has proliferated, when the country is inundated with foreign debts and their interest, when foreign aid has become a shackle curtailing free decisionmaking in a period when our region is facing the most serious challenges and is exposed to the most violent conflicts, when the Egyptian citizen finds it

hard to secure his essential needs because of the insane leaps of inflation and of the unavailability of essential goods in the markets, and when he feels that the rulers are not sharing the hardship and that they do not provide the model in enduring life's hardship;

And at a time when the government has failed to deal with the situation, we find that the head of state is disinclined to listen to any criticism, and that he ignores the specialized intellectuals and learned men, that the government is rigid, that it curtails the freedom of the opposition parties, that it infiltrates them, spies on them, and prevents them from uniting with their masses, that it rigs the general elections to gain a false majority, that is loyal to those who have created it at the expense of the country's supreme interest;

In view of all of this, the signatories of this statement see, out of awareness of their historical role on a day in which the Egyptian people commemorate their struggle to evict the foreign colonist, that they must ask the president of the republic to exert efforts to deal with the worsening human, economic and social conditions by doing the following:

- First, abolish immediately the state of emergency, all the special laws, and the other legislative provisions that restrict public and personal liberties.
- Second, stress the ruling regime's need to adhere to and observe judiciary decisions and to implement their content in all areas in order to preserve legitimacy and the supremacy of the law.
- Third, intensify the efforts to end torture in all its forms and work to issue a law that protects the citizens' right to party affiliation, the freedom to form associations, and the right to congregate and protest democratically and peacefully.
- Fourth, embrace policies capable of guaranteeing the citizens' right to work, to fair wages, to comprehensive social security, to affordable medical care and to fruitful education.
- Fifth, conduct elections supervised by the judiciary authority to form a constituent assembly so that it may draft a new constitution that guarantees the nation's sovereignty, establishes balance between the state authorities, insures free elections and public referendum, guarantees respect for the Islamic Shari'a dictates, and preserves society's social gains and fundamental mainstays.

The signatories of this statement believe that these demands are no more than one step whose fruition they anticipate without any despair. They pledge to continue to make these demands, employing all the legitimate means, until they are implemented. They urge the people with all their factions and sects and with their various beliefs to rally behind their parties and organizations in order to defend their rights and liberties.

"If ye will aid the cause of God, He will aid you and plant your feet firmly."

### NPUG Officer Explains Factionalism Among Parties

900A0106A Cairo AL-AHRAM AL-IQTISADI  
in Arabic 9 Oct 89 p 46

[Text] Explaining the chain of rifts inside the opposition parties, Dr Rif'at al-Sa'id, secretary of the Central Committee of the National Progressive Unionist Grouping [NPUG], said the fact that the opposition parties are lacking in popularity, which is the result of the government's constant pressure on them, has rendered them incapable of winning popular support. This has forced them to place themselves at the mercy of extremist religious currents with the aim of gaining fake popularity, which, by necessity, leads to the existence of such rifts within the opposition parties institutions.

Dr al-Sa'id said, "Also, the fact that democracy is nonexistent in certain party institutions is behind this chain of rifts that are a carbon copy of what is taking place in the other parties: the Socialist Labor Party [SLP], the al-Ummah Party, and the Liberal Party. This poses a major problem that should be faced."

The Central Committee secretary believes that the only way to overcome the causes of the outbreak of disputes and rifts as he sees them is to give the opposition parties more freedom so that they can breath freely and distance themselves from the extremist religious groups.

Replying to a question regarding papers prepared by the opposition and whether the document prepared by the NPUG under the title "Toward an Alternative to Practicing Democracy" is what can be described as a sign of the NPUG having lost hope of the opposition parties uniting in taking a specific action in the near future, Dr al-Sa'id said, "No, this is out of the question."

"The party," he added, "is constantly seeking to take unified action with the opposition parties, yet we realize that such action will be of limited scope and agenda because we disagree on many things with the opposition parties."

Admitting the fact that the NPUG relations with the other parties are of limited nature, Dr al-Sa'id said that disputes are becoming deeper as the opposition parties are throwing themselves in the laps of the al-Salafiah [Islamic reform movement] currents, which pushes us even further away from agreeing with the opposition or, more precisely, the contemporary opposition, or something of this sort.

Referring to the reasons and motives behind the party's issuing of the document in question, the NPUG Central Committee secretary Dr al-Sa'id simply said that it is part of a study of the present situation and an attempt to find a way to a real rapprochement with the masses.

### Leader of Nasirist Party Under Formation Views Issues

900A0160B Cairo AL-AHRAM AL-IQTISADI  
in Arabic 9 Oct 89 pp 46-47

[Article by 'Abd al-'Azim Darwish]

[Text] A wave of optimism is currently sweeping the Nasirists who believe that they will soon be officially recognized by having the establishment of the Nasirist Party—the Alliance of People's Forces “under formation”—licensed. The party's documents are before the Court on Parties, the “Higher Administration” court, after the Higher Constitutional Court waived the condition of recognizing the Camp David Accords as a stipulation to allowing the establishment of any party, as was provided for by the law on political parties. This led Kamal Ahmad, the party founder, to file a case 7 years ago before the court requesting a permit to establish a party.

Despite the fact that all the Nasirists welcome this step and are anxious not to be represented by several political parties carrying a Nasirist label, it is this very belief that is prevalent in the Nasirist current that will set off disputes between the cadres and founders of the Nasirist current and the founders of the Alliance of the People's Forces Party and the Nasirist Arab Socialist Party, in order to settle the question of who has the right to represent the Nasirist current in the official political scene.

Kamal Ahmad, founder of the Alliance of the People's Forces, speaking to us in this regard, rejected allowing any of the leaders of the Nasirist Socialist Arab Party to join the Alliance of People's Forces, in case a judicial decision permitting its formation is issued.

Kamal Ahmad said in this regard, that the first task of the Nasirist Party—the Alliance of the People's forces—is to focus on the future and the developments and changes this will bring about. Kamal Ahmad was probably indirectly indicating his rejection of the idea of the Nasirist Arab Socialist Party joining it. Sounding a note of protest, he wondered: “Why should we view everything from a Salafiyah [Islamic reformist] viewpoint...whether it is actions or individuals? The traditionally conservative world around us is changing, and the proponents of opinionated and rigid theories have abandoned their theories. The natural thing is that our view of the future should not be hampered by actions and individuals of times past.”

Explaining why he is optimistic that the establishment of a Nasirist party in the political arena will soon be permitted, Kamal Ahmad said, “We have insisted that a new line should be pursued to respect legitimacy. If you are involved in politics you must respect the legal and constitutional rules, that is ‘legitimacy.’ There might be objections to certain laws, but respecting legitimacy makes it incumbent upon you to comply with these laws so that you can change them in a democratic manner. Respecting legitimacy ensures continuity, while violating legitimacy is a violation of every political, economic, and social structure.”

Regarding the National Progressive Unionist Grouping [NPUG] call about a year and a half ago for the need to conduct a dialogue between the NPUG, the Nasirists, and the communists under the title “Alliance of the Left Front,” Kamal Ahmad wondered: Why only the left front? Why

should not there be a comprehensive dialogue between all the political forces—left, right, and center?

The founder of the Alliance of the People's Forces Party said, “We need dialogue for ‘conciliation’ between the various political forces so we can overcome the impasse of estrangement, because the political forces are experiencing a state of ‘estrangement’ between one another. Therefore, there must be a dialogue on ‘the prospects and agreements.’ The matter concerns everybody and threatens everybody. The question here concerns Egypt and its sovereignty and whether the Egyptian citizen is ‘to be or not to be.’”

Expressing fear about holding dialogue with the leftist parties, he said, “If I hold a dialogue with the left, this will certainly lead to the rallying of the right—whether the economic right or the religious right—vis-a-vis the left. Which leads to further exacerbating the conflict. What is desired is for political conflicts to end and for all the political forces to agree on the country's present inevitable needs.”

Concluding his statement to us, Kamal Ahmad reiterated his criticism of the leaders of the Nasirist Socialist Arab Party, though indirectly. “We are determined,” he said, “to respect legality, because we the Nasirists are blamed for not respecting legality. Therefore, we confirm it by practicing it.”

#### **GDSSI Reportedly Seeks Dissolution of Trade Unions** *45000055 Cairo AL-SHA'B in Arabic 7 Nov 89 p 5*

[“Akhbar Mamnu'ah” column]

[Text] “Akhbar Mamnu'ah” has obtained a dangerous report by the General Directorate for State Security Investigations [GDSSI] requesting that the political leadership dissolve trade unions, or at least issue laws specific to them. The report said that the Islamic trend controls most of the unions, and is on the way to controlling the rest of them. The report noted that the secretary general of one of the biggest unions is an old terrorist, and that he oversees all open and clandestine activity in his union. It is worth noting that our friend has never been known for this terrorist characteristic, but is known for his moderation. This is a GDSSI fabrication and attempt to instigate a conflict between the unions and political leadership.

“Akhbar Mamnu'ah” has learned that the current laws on the books of the People's Assembly speaker pertaining to unions were tailor-made to specifications limiting the unions' activity and free selection of their members.

#### **GDSSI Reportedly Harasses MB Leader, Abducts His Driver**

*45000056 Cairo AL-SHA'B in Arabic 21 Nov 89 p 5*

[“Akhbar Mamnu'ah” column]



[Text] After Dr Ahmad al-Malat, a Muslim Brotherhood [MB] leader, published his inflammatory article "Mr President, Are You Listening to Me?" in AL-SHA'B 2 weeks ago, several persons set up surveillance of his home. They also abducted his driver, forced him into a car, then dropped him off at an unknown location after blindfolding him with a heavy cloth. They released him after 24 hours and an unmarked car dropped him off on the street. No one is able to notify the police about the incident, because Dr al-Malat affirmed that the gang who carried out this operation was from the General Directorate for State Security Investigations [GDSSI], and they warned him of what might happen to him in the future if he kept provoking the Lazughli [location of GDSSI headquarters] gang.

### Six Governorates Announce Closure of Liquor Stores

90OA0134C Cairo AL-NUR in Arabic 8 Nov 89 pp 1, 3

[Article by Hamdi al-Basir and Muhammad Fathallah: "Six More Governorates Ban Liquor"]

[Text] Six more governorates, namely al-Gharbiyah, al-Isma'iliyah, Kafr al-Shaykh, Aswan, the New Valley, and Southern Sinai, have announced the closure of their liquor stores and the cancellation of their licenses in order to preserve the Islamic identity and to prohibit the proscribed. Thus, the number of governorates closing their liquor stores has risen to 11 governorates out of a total of 26 governorates.

In al-Gharbiyah Governorate, Counselor Fikri 'Abd-al-Hamid stated that he had waited for the right time to issue the prohibition decision after receiving a recommendation from the governorate's local government council expressing the governorate masses' wish to ban liquor in the governorate.

He added that after making the decision, he drafted a plan with the religious and popular leaderships to familiarize the masses with the dangers of liquor and to explain the justification for the prohibition through mosque sermons, symposiums, or studies prepared by the youth.

In al-Isma'iliyah Governorate, Governor 'Abd-al-Mun'im 'Imarah said that he has issued a decree to close all liquor stores and to withdraw their licenses, and that with the help of the agencies concerned, he is observing whether this trade is still active or not. The governor asserted that he will not permit this trade to flourish and prosper anew.

In Kafr al-Shaykh, Engineer Nabil Halawah, the governor, stressed that he has issued a decree to close liquor shops even though he is aware that there is only one such shop in the governorate.

He added that Kafr al-Shaykh is a rural governorate with good Islamic customs and traditions, and that he does not condone the presence of proscribed activities committed in the name of civilization and progress.

In Aswan, Major General Qadri 'Uthman, the governor, asserted that there isn't a single liquor shop in the governorate, even though it is a tourist governorate. The governor made this assertion after issuing his decree to close liquor shops and not to renew expired licenses.

The governor asserted that he did not swerve from the law and the constitution with this decree, and that he merely implemented one of the constitution's main articles, namely Article 2 which states that the Islamic shari'a [law] is the main source of legislation. The Islamic shari'a prohibits, of course, the production and sale of liquors.

In the New Valley, Major General Faruq al-Tallawi, the governor, said that he issued a decree to close all of the governorate's liquor stores and to prohibit tourist hotels from selling and advertising liquors in the governorate.

He added that no license has been issued for engaging in this trade, except for one tourist hotel licensed by the Ministry of Tourism. I have nothing to do with this license and I have no power over it.

In the Southern Sinai Governorate, licenses to sell and advertise liquor in the governorate have been revoked in accordance with the Islamic shari'a and with Article 2 of the constitution. There isn't a single shop that engages in this trade in the governorate.

The governor added that last week, he issued a similar decree banning the sale of beer in the governorate.

Major General Munir Shash asserted that the governorate's popular circles have responded favorably to the decree, and that no problem or protest has been encountered in connection with this decree because the governorate population had been expecting it. We are a Muslim people in a Muslim country and it is improper to protest something proscribed by God.

It is well known that five other governorates had issued similar decrees to close liquor shops, namely Asyut, the Suez, Bani Suwayf, al-Fayyum, and Suwhaj. It is greatly hoped that Egypt's other governors will follow this good example so as to please God.

### Informal Village Enterprises Exemplify Alternative Economy

90OA0089B Cairo AL-SHA'B in Arabic 24 Oct 89 p 4

[Article by Ahmad Sha'ban: "Secret Economy Spreads in Egyptian Countryside Away From Antisuccess Mafia"]

[Text] Millions of small investment projects are spreading throughout Egypt among relatives, friends, and trusted persons, and away from the government and its intricacies and mysteries, particularly since investment companies were hit hard and plunged into endless tunnels.

Islamic equity sharing and trust among residents of a village or a neighborhood are the common denominator



in this phenomenon, which has solved the problems of many small-capital holders who are confused about investing their money in a permissible way.

This phenomenon was not planned by anyone, nor was it implemented by foreign groups. What planned and implemented it was human instinct and efforts to invest their money away from the stormy winds of government.

AL-SHA'B visited several of these successful projects, whose owners insist that their names and towns not be mentioned so that the "antisuccess mafia" will not raid them. What has happened?

In a village in al-Sharqiyah province, the people speak with great admiration of the agricultural and livestock production investment project.

The project owner, an agricultural engineer, said, "The idea is to rent agricultural land from big landowners and plant vegetables to sell in the markets. There is also a livestock and dairy project.

"The project began with one feddan and five head of cattle. With increased participation by village residents, there are now 15 feddans and 100 head of cattle, yielding a 30 percent annual profit.

"There are now 30 participants from this village and neighboring villages. The incentive for taking part was the Islamic system of equity sharing in profits and losses that we follow."

The engineer pointed out that the primary factor in the participants' dealings with each other is trust. He stressed this word, emphasizing that it did not arise in a vacuum, since they all know each other well, growing up in the same village.

Several participants in the project gathered around me, and I asked one of them how participation works. He answered, "I had 1,000 pounds and did not know how to invest it. Because of what I learned about this project, I did not hesitate to put the money into it. The person in charge of it is someone we have all known since he was young as reliable and trustworthy.

"He gave me a receipt for what I paid, as he did the others. At the end of each year, we meet at his home and the project's profits are reviewed and distributed. Whoever wants to stop participating can do so immediately."

I asked, "What would you do if the project director cheated you and ran away with your money?"

They all said, "This is obviously impossible."

One said, "If what you said happened, at least we would know where our money went. This is better than putting it in a bank or company and having the government suddenly tell us, 'You have lost your money.' We become exasperated when they say, 'Where did the money go?' Will we get it back or not?"

In another village a resident returning from abroad established a home appliance business project in 1985, at a cost he estimates at 30,000 pounds.

After the investment companies were hit hard, several residents of the village and neighboring villages, with whom he had good relations and deep mutual trust, came and asked to invest their small funds in the project, which had grown into a large company distributing annual profits to shareholders of 20 to 25 percent.

Muhammad, a civil servant and participant in the project, confirmed, "I asked to participate without bank interest and because I doubted that the banks were doing business in a proper way. There was also the overall unstable situation in the money market, which meant that a person's money could disappear at any time, as happened with the investment companies when the government told the people that the investment law had been issued to protect their money. Now the people do not know their heads from their tails, while before the law, they did not worry about their money.

"Because of all these risks," Muhammad added, "we cooperate this way to invest our money in this company. If any danger threatened, all the participants, who are from this village, would be totally aware. They would know whether there was a loss or profit. If the government threatened the company, it would be very easy to liquidate by distributing assets or selling goods."

In al-Qalyubiyah province, a preparatory school mathematics teacher named 'Abd-al-Raziq established a home furnishings business project in 1982 at a cost of 5,000 pounds inherited from his father. He also opened a carpentry workshop, bought lumber, and hired two carpenters to make furniture for newlyweds, which he sold to young people in easy installments.

'Abd-al-Raziq said, "I dedicated the project at its inception to solving the problems of young people getting married. A young person buying furniture for 5,000 pounds, for example, would pay 1,000 pounds down and the remainder would be paid off at 30 percent of his monthly salary if his wife does not work and 50 percent if she does.

"Dealings between me and my customers are based on trust, since I write down only their names in a book so that I will know how many people owe me, nothing more.

"This has led many people to buy from the project, and I have been forced to expand and open it up to 45 relatives, friends, and trusted persons. The small workshop is now large—500 meters, and I have opened five showrooms in neighboring cities and villages. Despite increased prices for raw materials and processing, we hope to keep our prices as low as possible by limiting the percentage of profit. A small profit with a blessing is better than a large profit with no blessing."

A group of young people who bought their furniture from the project confirm that it provides a wonderful, relaxed

image of interaction, trust, and care in the product, but above all, the care those in charge have for people's circumstances.

One of these young people said, "I suddenly fell upon hard times and was obligated to pay the project my monthly payment of 30 percent of my salary. When those in charge found out about my situation, they exempted me for an entire year, and promised to give me another delay if things did not improve. They did not make any written conditions other than writing my name in a book. This is valuing of and sensitivity toward people, which if it pervaded our society, it would be as one body. As the Prophet, God bless him and grant him salvation, said, if one member complains, the others rally to protect and keep watch."

Another young man, an attorney named 'Abd-al-Hamid, said, "Look what happened to the farmers at village banks that forced their customers to deal with interest, selling them irrigation equipment, bicycles, and electric fans in installments stretching over years at annual interest rates between 12 and 17 percent."

"The interesting thing is that the village banks had a monopoly on the sale of good irrigation equipment, so the farmers would go to them. The banks insisted on selling in installments so that they would make exorbitant profits. However, the most amazing thing of all was that these banks required that their customers open accounts with a 50-pound minimum that paid only 7 percent annually. Those who refused to take part were denied receipts clearing them—the price of monopoly and injustice."

In a small apartment, six friends set up a factory to produce bawanat [as published] and plastic electrical hoses.

The factory bought a machine to make the bawanat for 8,000 pounds and then a machine to make the plastic hoses for 17,000 pounds.

Rashid, who first had the idea, said, "Those in charge of the project distribute the product to shops and other factories that can distribute it in exchange for a 10 percent discount off the original price. The annual profit from the project is at least 20 percent."

Muhammad Khamis, one of the participants, said, "The project has opened the door for many unemployed graduates and has given an opportunity to civil servants to work after their job is completed. It also gives a profit untainted by uncertainty about interest."

Ahmad, an agricultural engineer from a large village in al-Daqahliyah, said, "Incendiary prices and harsh living conditions that make the salary of a civil servant insufficient to buy his children even 'dry bread' made me and some of my relatives think about establishing a project to bring us a proper income and guarantee the future of our children. We set up a small hardware and paint shop 3 years ago. Business was slow at first because we did not

have business experience, and profits were low. However, after a while we learned enough, profits rose, and the small shop became a large company with many hardware and paint warehouses.

"Despite the increased number of participants, no problems have arisen because most of us have known each other since childhood, and we have complete trust."

"There are no written documents among us, at the wish of the partners, who are bound by trust, which is still the main currency in dealings among country people. We apply the holy verse that speaks of writing down a debt, but excludes writing down a transaction on the spot, '...unless it be a transaction which you carry out on the spot among yourselves...'. "

Adil Sayyid, one of the participants, said, "Our money is exactly as if it were in our pockets. We can get it back at any time we want, provided we give the person in charge at least a week's notice so that they can get it ready for us."

"We are aware of all the company's circumstances; no development is hidden from us. The annual budget is discussed openly before us all; proposals and opinions are submitted to us and nothing happens without our approval."

Farmer Muhammad 'Abd-al-Maqsud said, "I had saved 1,000 pounds. Instead of hiding it in the house, I put it into the company. When I needed the money to pay the expenses of making the pilgrimage, I asked that it be returned. Those in charge did not object, and I got my money and my share of the profits."

"To us, the company is a place to protect and invest something of value. Naturally, it is better than a bank because if I go to a bank, I will lose an entire day and deposit my money on the strength of official papers. When I want it back, I also have to use official procedures. I may need the money on a day the bank is closed."

"However, in this company, with one word you can make a deposit or withdraw it because the participants all know each other very well. Above all, we are one town."

"Furthermore, the company's profit is totally acceptable, not suspicious like bank profits."

Mustafa Salih, a civil servant and one of the participants, broke in, saying, "Is there complete trust in banking operations? Is there one day one day when we do not hear that liquidity has been frozen? Why should we put our money in banks to be taken by thieves as a loan for millions, with or without a guarantee, who then flee the country?"

We continued our visits to several villages and cities in Egypt, where I saw many such successful projects and heard from the participants about large profits, sometimes as much as 35 percent annually.

Even though the owners of these projects were reluctant to talk about their projects, fearing the "success mafia,"

I looked for publicly-known companies to learn their experiences in Islamic equity sharing and to find out about their profits in order to totally eliminate doubt about what I had heard of large profits in these small companies.

The example I found was the Atmidah Fodder Company, founded in 1981 as a joint stock company, with each share selling for 5.25 pounds.

One Ibrahim Mahmud said, "I bought 130 shares when the company was founded and was making an annual profit of between 30, 33, and 35 percent. When the value of shares rose because of the company's success, they gave us additional shares and the profits. When I was having financial difficulties, I sold my shares for 12 pounds each, 7 pounds more than I had paid for them. During the 5 years that I participated in the company, I made a profit of three times what I paid for the shares, which proves that it is successful."

This is an example of millions of projects throughout Egypt, established by the people outside official government channels.

The recent increase in the number of projects shows the government's devastating failure to attract enough funds from the people to support the national economy.

The government should get close to the people to learn that they only want a secure place to invest their money in a manner pleasing to God without interest, plunder, and looting.

It should let the people know one time that their money will not be harmed and will be ready when they ask for it, not just in word but in deed. Then the government will find money raining down on it as if it were the end of the world!

**Commentary Questions Reasons for U.S. Backing Israel**  
*TA1012185189 Cairo AKHBAR AL-YAWM*  
*in Arabic 10 Dec 89*

[Editorial by Mustafa Mahmud]

[Text] I do not know why the Jews weep at the Western Wall. After all, they took away Palestine, expelled the Palestinians, attained atom bombs, produced missiles, deceived the nations of the world and exhausted the U.S.

It was Balfour's pledge that sowed this cancer in the Middle East, and with it the tragedy, expulsion, war, destruction and conflict in the region. It was Britain that supported the crime and the U.S. that financed and nurtured [Israel] and placed all its means at Israel's disposal. It even sacrificed its honor as a country symbolizing elections, justice, and human rights, when three million Israelis trample the values of justice and deal daily in suppression, discrimination, and corruption, and if the world protests, the U.S. vetos.

The U.S. is silent even when millions of American youth are dying of drugs. It knows that Israeli mercenaries are

protecting the heads of the drug cartel in Colombia. The U.S. even makes do with a reprimand when it knows that Israel is smuggling American technology to South Africa. To what extent can the crime being committed by the U.S. on behalf of Israel continue, and to what extent is the U.S. likely to sacrifice its moral principles for Israel? What service does Israel perform for the U.S. that is worthy of this sacrifice? After all, it does not provide the U.S. with a service, but with a mark of shame, and it has become the ugly face of the U.S. toward the world. In addition, it does not provide the U.S. with a military base in the Middle East, but with an earthquake.

The U.S. knows that the weak do not remain weak forever, and the strong do not remain strong forever. Drugs are eating away at it from within, and Japan is eating away at its economic markets from without. In addition, many balances are destined to change in the future, the Arab states will not remain divided forever, and in several years the Arabs will become a majority within Israel itself, because their natural increase is greater than that of the Israelis. Then its atom bombs will be of no use to Israel, because each bomb dropped by Israel on the Middle East will harm Israel first of all, and in addition, the world will not stand idly by in the face of the radioactive pollution Israel has caused. Even the long-range missiles will not help Israel, since all the Arab states will have such missiles, and in even greater quantities.

A unification of the Arab position will constitute, by itself, a weapon stronger than any other, and the end of the Israeli legend will come, until only memories of the crimes committed with U.S. backing will remain. This is not prophecy but fact, because history has proven that aggression by the Israeli minority within the sea of the Arab majority cannot continue. Israel will continue to constitute a foreign body whose sealed fate is to shrink, wilt, and come to an end. Any other presumption is fantasy and illusion. The time at our disposal is plentiful, and Islam, which defeated the Tartars and expelled the Crusaders, is behind us. Why should it not be able to expel those who replaced them?

### **Columnist Sees 'Regime Plunging Towards Increasing Dictatorship'**

*90OA0089A Cairo AL-SHA'B in Arabic 24 Oct 89 p 12*

[Editorial by Muhammad 'Abd-al-Qaddus: "Mr. President, You Are Not the Sail"]

[Text] I am ringing the alarm bell loudly. At the inception of the ninth year of President Muhammad Husni Mubarak's regime, three things happened, which I believe to be the first of their kind since he took office. These three things clearly indicate that the regime is heading toward increasing dictatorship and a police state:

The first of the things that attracted my attention was during the October ceremonies, when I noticed the return of songs in praise of the president. I thought that

this had ended with the death of President al-Sadat, but it has returned after 9 years of the government of his successor, President Mubarak.

I recorded a song broadcast on television, some of which was: "God is with you, and we are with you. We love you, you are our leader, and our hearts are with you. You are the sail in our sea."

This song is truly strange in these times, since the worship of the individual has been shattered and people everywhere seek freedom.

Songs glorifying the leader may be justified in a country governed by one party, since the dictator actually is the "sail" that guides the ship of this unfortunate state. However, there is never a place for these songs in a multiparty system, where theoretically at least, there must be an exchange of power, even though the government party is determined to use every means to forever restrict our freedom.

I personally have a "problem" with these songs. They always appear when conditions in the country are deteriorating. I remember when conditions worsened during the last part of the late President al-Sadat's era, the song "O, Al-Sadat" by Fayidah Kamil was released. Before that, when the attack intensified on the centers of power in the 1960's, the song "Nasir" by Muhammad 'Abd-al-Wahhab was released, although songs praising 'Abd-al-Nasir were welcome in the mid-1950's.

The second serious matter which has not occurred before under President Mubarak was the expulsion of Tunisian Islamic leader Shaykh Rached al-Ghannouchi. What a mark of shame for the regime in my country. I believe that this expulsion destroyed the president's efforts to improve the regime's image in the Arab world. The peoples of these countries will be convinced that Egypt is a police state and any talk of democracy will be retracted.

In my opinion, the expulsion of Shaykh Ghannouchi will have a negative impact on President Mubarak's expected visit to Tunisia. I do not believe that the people there will greet him warmly after the expulsion of one of their most prominent defenders. It is amazing...the Egyptian government expels defenders and insists on playing host to leaders who give their own people a taste of terror, such as the Shah of Iran, under the previous regime, and Sudanese President Ja'far Numayri, under this regime.

The third grave matter is the forcible prevention of a roundtable on torture by the Engineers' Union. The emergency law has been extended to unions, and for the first time a roundtable was prevented. All forces must unite to confront this danger. Martial law is behind all the misfortunes of my country. We must resist it with all our strength before its oppression extends to all of Egypt.

### Columnist Warns of World Reaction to Election Methods

900A0126A Cairo AL-AHALI in Arabic 18 Oct 89 p 24

[Philip Jallab Column: "For First Time, Dead Do not Vote"]

[Text] We can boast of these elections among all nations.

Not a single case of forgery occurred. The police stance was exemplary and their neutrality exceeded the alleged Swiss neutrality. The administration men stunned foreign observers with their impartiality and uprightness.

Thousands of voters lined up patiently and tolerantly from 0900 till 2000 to cast their votes. The judiciary completed the task with their supervision of the voting and of the vote counting throughout 3 consecutive days.

All the opposition parties—the legitimate and those denied legitimacy—failed to find a single violation by the ruling NDP [National Democratic Party] in these elections. The gangsters who usually threaten the supporters of rival candidates were completely absent from the arena. No deceased or expatriate Egyptian was able to vote in these elections. Even those prevented by conditions beyond control from voting in the elections were omitted from the voter lists. The previously established "national" tradition was that the dead and the absent are entitled to vote as long as circumstances beyond their control have prevented them from exercising this right!

An official statement which nobody contested said that the number of voters participating in this election was unprecedented. Moreover, the statement did not add a single name in order to increase the ratio of participants to those entitled to vote.

Despite thousands upon thousands of voters, papers, and identity cards, no ill-willed individual could find a single card outside the voting committees, as usually happens under such circumstances.

For the first time in many years, a ruling party in Egypt has deprived its opponents of all their weapons. For the first time, the courts and the judiciary are certain that nobody will contest the results. Finally, the most important points of dispute and conflict between the government and the opposition regarding the impartiality of the elections have disappeared.

As soon as the results were announced, those who failed were the first to congratulate and to praise the impartiality of the elections.

Even though the majority of the winners are not supporters of the opposition, the impartial and honest elections have required the opponents to acknowledge the truth and to respect the declared results.

We congratulate the government, the NDP, the Ministry of Interior, Dr 'Abd-al-Ahad Jamal-al-Din, the local

government officials, and the security director, on this civilized behavior in al-Jazirah Club elections.

However, we do fault them for not inviting Arab and foreign observers and representatives of the International Parliamentary Union to see for themselves this lofty model of impartiality and honesty. Such a model may erase from memory what the local and foreign media reiterate about previous "parliamentary" elections. Al-Jazirah Club has always been an important center where Egypt's modern history is made. With these "legitimate representatives" of a significant sector of the nation, the club is eligible to play a role that surpasses the role of numerous other "unelected" clubs and assemblies.

## ISRAEL

### Shamir's, Rabin's Differences 'Threaten' Coalition

44230032A Tel Aviv 'AL-HAMISHMAR  
in Hebrew 4 Oct 89 pp 8, 9

[Article by Pinhas Inbari: "The Breaking Point of the Unity Government"]

[Text] Minister Rabin's visit to Egypt brought to light hidden political developments and opened up new policy lines that once again brought up the question whether the national unity government is coming close to the finish line and whether the nation will soon be back at the polls. In interviews given by Prime Minister Yitzhaq Shamir and Defense Minister Yitzhaq Rabin on New Year's Eve they revealed several lines of thought concerning the national debate in Israel.

The interview given by Defense Minister Rabin to historian Professor Gabi Kohen (DAVAR 29 Sep 1989) rested on a broad ideological perspective.

Until not so long ago, Rabin was in the habit of declaring that Israel must come to an accord with the Palestinians through agreements with the Arab world, rather than through direct negotiations with Palestinians. He was referring, of course, to Jordan, which he saw as a major partner in responsibility for the West Bank in any political settlement, and with whose help he hoped to keep the Palestinian "genie" in the bottle.

In his recent interview, Rabin viewed things in a different perspective. The key phrase was: "The reality today is that the sole partner with whom Israel can perhaps go into a political process is the Palestinians." Further, Rabin said: "I view them as Palestinians living in the territories. They have a hard time, too. As residents of the territories, they came to view themselves (or so they tell us) as leaders of the Palestinian struggle, and justly so, something that has not been the case since 1948. At this stage they are the ones who are suffering the most, and they want to see the light, but they are incapable of detaching themselves from the Arab world, which is under the influence of outside Palestinians."

"Outside Palestinians" are, of course, the PLO, and this is the first time that Rabin was willing to look at the PLO other than "through the gun barrel," as he put it when he was prime minister, and to see them as a necessary element of the political process that must be taken into consideration.

Once Rabin views the Palestinians, rather than the Arab world, as the dominant factor, he must be willing to go the distance to the PLO, and that is the main bone of contention between him and Shamir.

Shamir has different ideas (DAVAR Weekly Supplement 29 Sep 1989): "When we talk of the initiative, we talk of one paragraph exclusively and never mention the others, which are no less important. Everyone focuses on the fourth paragraph, which refers to negotiations with the Arabs of Judaea, Samaria, and Gaza, who are indeed a considerable factor in the conflict, but if we settle the conflict with the Palestinians without changing the nature of our relations with the Arab countries, we haven't changed a thing.... Were we able to bring about some change, even a modest one, with the Arab countries, that would have an impact on the Palestinian Arabs. For example, were today any Arab state, no matter which, big or small, to decide to establish relations with us, even informally, like the East European countries, it would have an enormous influence on both Israelis and on the Arab population. It would prove that peace was possible and within reach."

The basic difference in approaches also determines the difference in the perceived importance of Egypt in the present political process. Shamir agrees with Rabin that Egypt must play a central role, because "the countries that were involved in the Camp David accord bear special responsibility," but he does not accept Mubarak's approach concerning the indispensable PLO connection. "What Mubarak is doing is in complete agreement and identification with the PLO, and the Egyptian foreign minister has clearly said so. So now we come to a certain pitfall, because in our initiative we said 'not with the PLO.' We will not go to negotiations with the PLO, which means that we will not seek solutions together with people endorsed by the PLO. As long as Egypt and Mubarak proceed from the assumption that they will not do anything with which the PLO doesn't agree, there is nothing to talk about, not unless they change their approach to the PLO."

And that's that. Since Rabin and Shamir disagree on the place of the Palestinians in the political process, they come to different conclusions regarding the need to involve the PLO. Rabin, who abandoned his position that the Arab world is the one to lead the political process, is willing to grant the PLO a role in tandem with the inhabitants of the territories, an issue on which he agrees with Mubarak, while Shamir, who continues to support that position, sharply opposes it.

It is worth noting that during his stay in Cairo, Rabin tried to bring Mubarak around to Shamir's stand on the

matter of broader Arab normalization of relations with Israel, but judging by Mubarak's public pronouncements on the subject, he failed. Consequently, Rabin's failure to persuade Egypt's president to see his way, a matter close to his heart, also explains Shamir's opposition to Mubarak's initiative.

Out of those basic differences begins to emerge the breaking point of the national unity government: the approach to a permanent settlement.

When asked to define the core of the problem facing us at the moment, Rabin said: "The problem is how to create a situation in which preliminary dialogue can lead to elections, with a view to making progress in the overall process." That is to say, elections are only the means to open a dialogue that can set in motion the "overall process."

This approach is quite in agreement with Mubarak's approach, as it was expressed at a meeting with Israeli journalists, according to which elections are only a "pretext" to get Israelis and Palestinians to the discussion table. In Mubarak's view, as soon as all the sides agree on a Palestinian delegation, there is no reason it cannot delve right into all the problems on the agenda, including permanent settlements. That, in effect, is the meaning of the "strong connection" between the elections plan and the permanent settlements of which Egypt is talking.

Consequently, the Likud is justified in its claim, as it was expressed by Shamir and Arens, that the issue of a provisional settlement was eliminated from Mubarak's 10 points, which focus on the link between elections and the end of the process. Such complaints have not been heard from Rabin or anyone else in the Labor party.

The special importance of this issue came to the fore in Shamir's interview: "We don't want to talk about a permanent solution. The more we talk about a permanent solution, the more we delay negotiations. We must focus our efforts on beginning the process, and the trouble is that the Arabs want to begin with the end, which spoils and disrupts the whole thing."

Why doesn't Shamir want to deal already with a permanent solution? This is the key to the continuation of the national unity government. "Even if the defense minister and I agreed on everything, we would both still be aware of the fact that he is a Labor man and I am a Likud man and we would know that at a certain stage—for example, when we came to talks and negotiations on a permanent solution—our ways may well part. However, if we take the path of negotiations on settling life in the territories for the present, we can still go together up until the point when it becomes necessary to go to the next stage. What caused this split now between myself and the defense minister? The fact that they introduced an issue on which we cannot go together: we oppose talks with the PLO....We cannot continue together the

moment the formula of territories for peace is introduced, and that belongs to the area of permanent solutions."

Thus, the differences between Shamir and Rabin touch the foundation of the national unity government, and if Rabin does not retract his "deviation," Shamir does not rule out the possibility of dismantling the government. At the same time, there is still considerable common ground between them, particularly regarding their approach on how to deal with the intifadah. It is perhaps not a coincidence that Rabin never uttered the word intifadah, electing to refer to it as "violence." Shamir was not as careful and he did mention the "intifadah," but he didn't hide his preference for calling the Palestinian uprising in the territories violence or riots.

When Rabin was asked if he views the intifadah as a sort of Palestinian Yom Kippur war that will lead us to the negotiating table (a question that preoccupies the Palestinians, too), he does not answer, but his statements reveal his determination to handle the intifadah not politically, but with military means. The political aspect is exclusively reserved for negotiations outside the territories. When it comes to the territories, soldiers will continue to chase after children and women, because "there is no choice."

In this matter, Rabin and Shamir use almost the same language. Rabin: "I want to make the Palestinians in the territories understand that the solution can be found at the negotiating table. They stand no chance by continuing the violence. In my view not only is there no contradiction, but there is consistency between halting the violence and planning for negotiations." Shamir: "We said—the defense minister has repeatedly said—that the day will come when the Arabs of Judea, Samaria, and Gaza will despair of the intifadah and will come to the conclusion that this violence does not bring them 1 inch closer to their objectives. It brings them only suffering and victims and it does not budge Israel from its positions....The day will come when they will realize that the PLO's declarations in Tunis and their running all over the world don't do a thing for the Arabs of Judea, Samaria, and Gaza, where they continue to suffer, where the situation continues to deteriorate, and where there is no escape. Consequently, they will come to the conclusion that the only way is through negotiations with Israel."

If so, then both Rabin and Shamir want to bring the Palestinians to the negotiating table on their knees. Is that indeed the case?

Precisely on this point Rabin offers grounds for the assumption that he is beginning to abandon that approach. And again, when he alludes to a connection between the intifadah (the "violence") and the October war: "Al-Sadat, who restored his pride in the Yom Kippur war, knew how the war ended and understood that through force he will achieve nothing, other than rehabilitated pride. In the same way I want to make the

Palestinians in the territories understand that a solution can be found only around the negotiating table."

Whether indeed Rabin has been swept up into lines of thought that he does not want to implement we will know in a few days, when the Defense Ministry decides whether to introduce in the West Bank the identity cards that in Gaza preceded the magnetic cards. If the Defense Ministry decides to adopt the Gaza system in the West Bank, then Rabin will be entering a new and more serious stage of conflict with the Palestinians designed to finally defeat them—if possible. If Rabin scraps those plans, that will indicate a genuine change in him concerning the major issue of policies in the territories. For the time being, preliminary indications are not encouraging. The decision made last week to extend by another 6 months the order to close down the press relations office of Ibrahim Qura'in and Raymond Tawil in East Jerusalem testifies to the fact that the anti-PLO policy has not changed.

Nevertheless, Shamir realized the potential for change in Rabin's policy and hinted that the intifadah should not be viewed as a Palestinian October war designed to restore their pride: "Turning the intifadah into a great victory and turning the PLO into a victorious savior is in clear opposition to the real objectives of the peace initiative and will preclude achievement of the goals of the Israeli initiative. Who will be included in the delegation? Bearers of the intifadah flag?"

While Rabin and Shamir approach the breaking point of the national unity government but still endeavor to preserve some common ground, another section of the Labor Party is seeking a practical alternative to the present peace plan.

On 23 September the daily AL-QUDS carried a report from Tunis stating that the PLO top leadership received a proposal for a peace plan from "Labor Party doves" (i.e., not Rabin). The proposal reportedly called for the establishment in two phases of a confederation between Israel, Palestine, and Jordan, whereby the first phase would bring full autonomy, which the PLO can incorporate in the framework of self-determination. The establishment of this confederation would be predicated by the success of cooperation between Israel and the PLO in the war against terrorism. The PLO would be recognized as authorized representative at negotiations on resolving the Palestinian problem; however, Jordan's status would be recognized, too, since agreements with it would determine the depth of IDF [Israel Defense Forces] withdrawal from the territories and the nature of its deployment.

That report was given special attention in an article published by 'Amir Oren in the same issue of the DAVAR Weekly Supplement. He did not report any document from the Labor Party to the PLO in Tunis, but spoke of a study done by journalist Ze'ev Schiff for the Washington Institute of Near East Policy. We don't have either of those two documents, but from what has been

reported about them it is clear that although they are not one and the same, the document mentioned by the AL-QUDS reporter in Tunis is based on the same principles, and it is not impossible that it was taken from Ze'ev Schiff's study. We believed Schiff when he said that he did not prepare any document for any party and had nothing to do with conveying any documents to Tunis. However, it is conceivable that someone dispatched a document based on his ideas to the PLO top leadership as a proposal from Labor "doves," without consulting the author himself.

It is worth noting that the report from Tunis stated that the Labor document was linked to the American-Palestinian dialogue. The Washington institute is linked to [Dennis] Ross, currently one of the engineers of U.S. foreign policy, and, until new appointments, one of the major Middle East scholars of the institute.

According to Oren, Schiff recommended that the PLO, with some changes, be viewed as the representative of the Palestinians, because a comprehensive and final solution can be achieved only with the PLO. In other words, the opposite of Shamir's position, for whom interim agreements are all inclusive and final agreements constitute *casus belli*.

Schiff, like the document of the Labor "doves," speaks of a tripartite confederation and views Jordan's participation as important in order to determine security needs in the West Bank, based on the demilitarization of the territories and on minimal IDF deployment in the West Bank. "Jordan is a natural part of the bloc that includes Israel and the territories, and if it is left out of an agreement, Israel, after its withdrawal from the territories, will be exposed to great threats, including a wide-front attack from the east." Both documents treat military aspects in a very similar manner, as well as actions against terrorism and extending the demilitarization principle to Jordan itself.

Another trait shared by the documents of Schiff and the Labor "doves" calls for sanctioning the Palestinian and Arab obligations in legislation that will not allow unilateral changes of the agreements and will prevent them from entering defense pacts with other countries, especially the Soviet Union.

A special reason for suspecting a link between Schiff's study and the AL-QUDS report is the reference to the Gaza Strip. Both speak of "Gaza first" in very similar language and in identical terms. Both AL-QUDS and Schiff refer to the Gaza Strip as a "laboratory" in which an accord for the West Bank, as well as regulations for work in Israel can be tested. Whatever the explanation, the similarity between the two documents cannot be ignored. Neither mentions elections and both contain detailed descriptions of final agreements.

U.S. patronage of those documents naturally raises the question whether Washington has come to the conclusion that it is best to have new elections in Israel. The



fact that Mubarak's initiative and the "Labor" document both deal with final agreements and the formula of territories for peace reinforces the suspicion that Washington means to force an Israeli decision in either direction, while giving Labor a helping hand.

Is that the reason why the Americans gave Peres such a sympathetic reception while slighting Arens in the last round of talks in the United States? Will the Americans attempt to forge an agreement between the PLO and Labor, acceptable to Israelis, with which to push Labor through elections and bring it to power? Those questions will most likely be answered in the near future.

### Poll Shows Government Popularity Waning

44230032D Tel Aviv DAVAR in Hebrew 6 Oct 89 p 1

[Text] After almost 1 year since the last elections, only about one-quarter of the Jewish population gives the government positive marks, states a poll taken between 21 and 26 September, for which some 1,170 representative Israeli adults were interviewed (including residents of moshavim, kibbutzim, and Judea and Samaria).

To the question, "Is the government successful or unsuccessful in the following areas?" We received the following findings:

| Percentage Who Said It Was Successful |               |             |
|---------------------------------------|---------------|-------------|
|                                       | March 89 poll | Sep 89 poll |
| Economy                               | 31            | 21          |
| Social Services                       | 25            | 29          |
| Defense                               | 38            | 38          |
| Foreign Affairs                       | 43            | 46          |
| General View of the Government        | 30            | 24          |

In comparison to answers given to the same question in the poll conducted in March 1989, the government received poorer marks for its performance in the areas of economy, slightly better marks for social services and foreign affairs, and the same marks in the area of defense. As for "Your General Opinion of the Government," estimates were very low.

It must be stressed that at present the Israeli public is very critical of the government's performance as compared to opinions voiced in the past about other governments. The interviewees were also asked to give their opinion of senior government ministers.

The question was: "In your opinion, how do the following officials fulfill their tasks?"

The only minister about whom views have remained stable was Rabin. However, it must be noted that those findings are not significant; most criticism of Sharon was recorded among Alignment supporters and leftists, whereas that of Peres was found particularly among Likud, right wing, and some religious supporters. Within their parties, Sharon and Peres received high marks.

### Percentage Who Said Good Or Very Good

|                | March 89 Poll | Sep 89 Poll |
|----------------|---------------|-------------|
| Yitzhaq Shamir | 56            | 47          |
| Shim'on Peres  | 46            | 36          |
| Moshe Arens    | 60            | 52          |
| Yitzhaq Rabin  | 63            | 63          |
| Ari'el Sharon  | 38            | 36          |
| David Levy     | not asked     | 30          |

Note: The statistic deviation in the above studies was plus or minus 3 percent.

### Mosad Agents Reportedly Expelled

44230043D Tel Aviv DAVAR in Hebrew 17 Oct 89 p 1

[Text] According to news items in periodicals and sources specializing in intelligence and defense subjects in Paris, Israel's Mosad is having trouble operating in Europe, and many of its agents have been expelled or transferred from one country to another.

The periodical INTELLIGENCE WORLD wrote that many Israeli agents recently left Brussels. The periodical linked that movement to the break-in at the Isabelle Travel Agency in Brussels, where two computer diskettes containing a list of Israelis were stolen. The editor of the periodical MADNEWS cited intelligence sources reporting a serious crisis between Israeli and French intelligence services in the past few months.

According to those reports, many Israeli agents had to leave Paris and were even declared persona non grata. This process came to a peak on the eve of Yasir 'Arafat's visit to Paris, but it was said to have begun at the beginning of the year and was even discussed by President Mitterrand and Prime Minister Shamir. The sources added that many of those agents were transferred to Brussels.

The sources believe that the Israeli agents who left Brussels may have gone to Paris. Israeli agents were also expelled from London and Bonn. According to sources, the relations between the Israeli and French services are particularly poor because of competition between them in Africa. The French feel that Israel is chasing them out of Cameroon and Central Africa by, for example, training presidential guards.

INTELLIGENCE WORLD reported that the appointment of Ambassador Avi Freemoore reinforced the view of Brussels as the center of Israeli intelligence in Europe because, according to the periodical, he is experienced in this area, and Arab services have begun watching him.

Israeli Ambassador to France 'Ovadya Sofer yesterday said that reports of the alleged expulsion of Israeli agents from France, which appeared yesterday, were completely unfounded and stemmed from a disinformation campaign designed to damage Israeli interests.



### Polish Tourists Barred Entry

44230043A Tel Aviv HA'ARETZ in Hebrew  
26 Oct 89 p 11

[Article by Roman Priester: "You and You, Out"]

[Text] On the desk of Ambassador Mordekhay Paltzur, head of the Israeli interests section in Poland, lies a pile of complaints and protests about tourists who arrived at Ben-Gurion airport in Lod, were not permitted to enter Israel, and were put—sometimes roughly—on the returning plane to Warsaw. Among them were pilgrims who had saved their money for years to be able to visit Christian holy places, couples who wanted to spend their honeymoon in Israel, people who had been invited by relatives and friends, and perhaps some who wanted to work here illegally. Whatever the reason for their travel, they all shared a common denominator: their passports were duly stamped with an entry visa issued by the Israeli interests section in Warsaw after they had passed a triple screening: the usual local one, screening by the Foreign Ministry in Jerusalem, and finally compliance with Interior Ministry requirements. In spite of all this red tape, all too frequently it happens that, as one complainer, Woyszec Leszek from the town of Radom, wrote to the Polish Foreign Ministry, this bureaucratic procedure was like "an 8,000-zloty check that is not covered."

Ambassador Paltzur said that this peculiar border policy was damaging to the dignity of the Israeli flag flying over his office building and caused serious harm to Israel's image in the eyes of Polish public opinion. When the situation finally became unbearable, Paltzur requested copies of the protocols written in Lod whenever a visa holder is refused entry.

"To my amazement, I discovered that out of 17 copies I received, only 1 was signed as required by Batya Karmon, the Interior Ministry's duty clerk," Paltzur said. He also played a tape for us of a recorded statement by one of the tourists barred entry.

We reproduce here a few passages from the recording: "We were standing in line before the passport control window. All of a sudden, a man appeared, pointed his finger in our direction, and said, You, you, and you, leave the line. He was speaking Hebrew, and when one of my friends said he didn't understand, the man answered rudely: This is Israel, here we speak Hebrew. I was then isolated from the group and questioned at length. The investigator asked me, in broken Polish, whether I had money for my stay in Israel. I showed him a considerable amount of money, but he wasn't persuaded. At the end of the talk he informed me that I was suspected of seeking work in Israel and that I would not be allowed to enter the country."

"...We all had return flight tickets....We were carefully searched. One person was ordered to strip, as if they didn't know what he had in his pants. Nothing suspicious was found. We asked permission to buy a Coke or some soft

drink, and were told that there was a water fountain in the restroom. We asked that the Polish diplomatic representative be contacted, but were told that the section was closed and that we could do that in the morning. We were put in a room with four beds, but during the night we were awakened and put on the plane."

"This recorded case is not an exception," Paltzur said. "There is no logic in this, because people with identical data are sometimes allowed in and at other times are sent back home. One Pole who was refused entry turned out to be a man dedicated to restoring Jewish cemeteries in Poland. In many cases there is no communication between border investigator and tourist, because they have no common language." Frequent requests for explanations remained unanswered. The same occurs in cases in which the request is made in the form of a hasty cable. Paltzur contacts the Foreign Ministry, but there seems to be a short circuit between the Foreign Ministry consular department and the Interior Ministry, which is the real master of the country's gates.

For that reason, repeated meetings between the head of the Polish interests section in Israel, Stefan Kwiatkowski, and Foreign Ministry officials in Jerusalem did not do any good either. Several times he was told that "the matter is being dealt with," but nothing changed.

"On the flight coming in from Warsaw on 19 October, seven tourists who had both visas and money were barred entry," the Polish diplomat said.

"There is an urgent need to jointly hammer out regulations and procedures that will ensure the interests of both sides: defending the Israeli labor market, while at the same time sparing Polish visitors financial losses and humiliation. I also wonder why the authorities here don't bother to inform me of such cases and don't allow me contact those who are turned down," Kwiatkowski added.

We must note that the process of granting visas to Polish tourists may take up to 6 weeks. Kwiatkowski's office issues tourist visas to Israelis within 3 days, and in many cases even on the spot.

The considerations governing Interior Ministry decisions to reject visa applications, even when accompanied by recommendations from our diplomatic representation in Warsaw and by the approval of the Foreign Ministry in Jerusalem, are another matter. Thus, a visa was refused to a man who is writing a book about Polish Jewry and was officially invited by the Association of Cracow Emigrants to Israel to complete his work. His wife, on the other hand, was issued a visa without any problem.

David Efrati, director of population administration at the Interior Ministry, and his deputy, Yosef Tov—the two senior officials in charge of the matter at the ministry—explained to us at great length how important it was to protect the Israeli labor market from illegal invasions. They told us about one case (just one, and even that from 6 months back) in which it was proven that a Polish woman, who at the border had produced a return ticket with a

confirmed return date for 12 October, as well as \$1,000 in cash, had in fact been invited by a Jerusalem family to work for them as a maid.

The two officials admitted that mistakes are difficult to prevent, both because of the great turnover among airport inspectors, and because of difficulties in communicating with tourists. They suggested that the Polish interests section in Israel maintain 24-hour-a-day airport duty, and promised that in the future, each person barred entry will be permitted to call the person on duty. Similarly, the Interior Ministry intends to open a permanent office at Ben-Gurion Airport.

There is no intention to change the policy, and matters will be resolved, Yosef Tov added, only when Poles grasp that the Israeli labor market is closed to them, and stop coming.

### More Immigrants Arrive From 'Repressive' Countries

44230032E Tel Aviv DAVAR in Hebrew 6 Oct 89 p 3

[Text] Absorption Ministry data show a sharp increase—double digit percentage figures—was recorded in the past few months in the number of immigrants arriving from “repressive” countries that do not have diplomatic relations with Israel.

Some 14,670 immigrants arrived since the beginning of the year, which is a 50-percent increase over the same period last year.

Some 2,275 immigrants arrived in the past month, which was a 110-percent increase as compared to September 1988. The number of Soviet immigrants came to 1,210 in September, bringing the overall number of Soviet immigrants who came since the beginning of the year to 5,811. This is a 271-percent increase compared to the same period last year.

Last month 158 immigrants came from Argentina; 1,513 Argentine immigrants arrived since the beginning of the year, 23 percent more than in the first 9 months of the previous year.

Absorption Minister Rabbi Yitzhaq Peretz expressed satisfaction with those figures, which are in accordance with his ministry's forecasts. If the present rate of growth continues, by the end of 1989 more than 20,000 new immigrants will arrive in Israel, the minister said.

Some 60 percent of immigrants from repressive countries (including the Soviet Union) were accommodated through direct absorption procedures. Minister Peretz stated that the direct absorption track has proven itself and that even immigrants who in the past were reluctant to take that route came to recognize its many advantages.

The number of Jewish emigrants who in September arrived from the Soviet Union to Vienna set a new record: 7,469 were recorded at the transit center in the Austrian capital.

Regina Boko, spokesman of the Intergovernmental Emigration Committee, yesterday said that this is the largest number of emigrants registered in 1 month since the committee began to keep records in 1979.

Only 106 of those emigrants said they wanted to go to Israel. In the first 9 months of this year 37,610 Soviet Jews arrived in Vienna; 950 of them expressed a wish to go to Israel. The great majority want to go to the United States, Boko said.

Most of the Soviet Jews who immigrate to Israel today bypass Vienna and come straight from Bucharest or Budapest. In contrast to the impression created by these figures, the number of those who drop out on the way has been decreasing.

The committee data published in Vienna are lower than those published at the beginning of the week in Washington by the National Committee for Soviet Jewry. The American committee reported that in the past month 8,442 Jews left the Soviet Union last month, and 41,886 since the beginning of the year.

Viennese committee spokesman Regin Boko said that the U.S. statistics reflect only the number of those who come to the United States in the same month, and that they probably include Jews who left the USSR in previous months.

The record number of Jews that left the Soviet Union in 1 year after World War II was recorded in 1979: 51,328.

### 'Ezer Weizmann Urges Talks With PLO

44230018D Tel Aviv HA'ARETZ  
in Hebrew 15 Sep 89 p 11B

[Article by Gid'on Samt?]

[Text] After a long, uncharacteristic period of quiet, he now says that it is necessary to establish the need, through political movement, for a strong test in the government. Stand up my young friend, states 'Ezer Weizmann (65) to Shim'on Peres (66), and announce that you favor direct talks with 'Arafat. Despite his inclination toward such acts of exacerbation, Weizmann is well aware of the meaning of such a step. Nonetheless, someone in the Labor Party, he maintains, must upset the apple cart and take an exceptional step, because the current situation cannot be allowed to continue.

He does not see himself as one whose position enables him to take action. He enjoys his work as information and technology minister, he states somewhat unconvincingly, but he understands that he is on his way to being a “has-been.” As far as he is concerned, Yitzhaq Rabin should take the step. Never has there been love between them which could now be extinguished. However, the serious dangers which Weizmann sees in the absence of progress are currently causing him to believe in the very urgent need to emerge from the freeze: Let the channel to the outside be whatever it will be, and let the step be as bold as necessary.

Regarding Rabin, as well as the passivity of the Labor Party in general, he quotes what a Prussian colonel said about General Hindenburg after a well known battle: Here he slept before and after the battle—and during the battle. Instead of going directly and bravely to the element with whom it is necessary to talk, namely the PLO, we are stuck in a side door, in the rear window, leading nowhere. Please, goads Weizmann, let the government be disbanded over this, bring to justice whoever goes out to meet with 'Arafat.

If we continue in this way, we will, he believes, face a war unlike any since 1948, when we lost 1 percent of the population, 6,000 victims. Now, 41 years later, when we are still baffled, this rate is liable to recur, this time with tens of thousands of casualties on the front and in the rear.

He himself has come a long way and sees in that an example of the need and ability to adjust one's political line to changing circumstances. Since desiring the complete land of Israel and settlement on the Jordan, conditions have required this change in his positions, just as they are creating the need for a great change in the positions of his party and its personalities.

The world has changed greatly, and this certainly includes the PLO. Our main problem is psychological: fear of solving the conflict through the only possible way, which is to surrender territories and to negotiate with the "true other party." We are not the only ones who are sensitive about our self-respect. If we had behaved this way with the Egyptians, the peace with them would not have held so nicely for 10 years.

He opposed the elections plan, although he is currently willing to support it. However, nothing will come of it if we do not talk with the PLO—in partnership with Egypt—and if we do not understand that there is currently nothing to talk about with anyone based on what the government is willing to offer. Fine, he says, so there would be elections: What would we discuss with the elected? Nothing will come of our current maneuvers. Why is there this fear of sitting down with 'Arafat? Does he have divisions?

The profound problem, Weizmann believes, is psychological. It is not nice to say, but most of the people hate Arabs, just as there are Arabs who hate Jews. Israelis are guided by a substantial segment of their politicians not to agree to share the land of Israel with the Arabs. Therefore, in the Likud, they are constantly seeking excuses for not finding a solution.

Whoever thinks that the Americans will tell us what to do is naive. They will not stop us as we move toward a terrible war. Senior Americans have told him that the only way to move Israel is apparently to let it bleed. They are fed up with our conflict here and the apathetic initiatives. If we are not careful to get ourselves moving, we will gradually become, and we have already begun to be, a "terrible nuisance," to use an English expression.

We must stop thinking that the next war will be with a single Arab state. A part of the change which Weizmann sees, to his horror, is the rapprochement between Egypt—his baby from the start—and Iraq. We are pushing Egypt toward Iraq. The Egyptians and the Iraqis are already beginning to shake hands. He heard this from his friends in Cairo. If someone thinks that the 6-Day War was planned, let him come to me, states the former air force commander. At the time, only the destruction of the Egyptian Air Force was planned. Everything else was the result of the uncontrolled escalation which began on 15 May. What happened then could happen now: Forces begin to move, and we roll into an unplanned war.

Israeli psychology, which in his view is the main culprit responsible for the freeze on our part, does not correctly grasp the changes around us. It has not yet fully digested the peace with Egypt. It does not understand Egypt's central position and the dangers of it moving away from peace. Humanity is moving toward a shared life in Europe, toward far-reaching changes in the Eastern Bloc regimes, and toward strengthening enthusiasm for national determination among peoples who still do not enjoy it. Where are we, where are these processes, which, among other things, have brought the villains of 50 years ago to the peak of the world economy.

What would happen to the Labor Party if the need to talk with the PLO were stated in its leadership? It is mistaken if it thinks that it will earn points by not telling the truth. It will lose. In his opinion, friction, perhaps even a crisis inside the party, is preferable to being thrown into an inevitable crisis, "a major explosion" on the national level.

If this does not happen, the self-abuse and deterioration will continue, and not only in the political and security area: Even if we had 300 projects, the Israeli economy would not endure, there would be no immigration to Israel, and immigration from Israel would increase. This is not a nice state to live in, he says, apologizing for the expression.

He does not say this to Peres, with whom he speaks with difficulty, and he never has spoken too much with Rabin. He feels isolated but convinced that his revelations represent a tangible danger.

'Ezer Weizmann's misfortune has been his perpetual isolation and lack of a power base in the Labor Alignment, as well as the frequent attribution of his statements to his excitable temperament. Our misfortune—certainly more serious—is liable to be that he is nonetheless correct.

**Minister Balances Secular, Religious Demands**  
44000062 Jerusalem THE JERUSALEM POST  
in English 17 Nov 89 p 5

[Article: Interview with Dan Petreanu by Arye Der'i:  
"An Enigma Named Der'i"]

[Text] Interior Minister Arye Der'i, a founder of SHAS [Torch Observing Sephardim], is not easy to pigeon-hole. He shows his independence of mind in this interview with Dan Petreanu.

Arye Der'i is an enigma. He was the first interior minister to scrap the controversial censorship of plays—but this week he led the battle against the Human Rights Bill and following his failure he even spoke of leaving the government. He opposes the bill because he believes it would make religious legislation impossible—and yet he has done more to block religious legislation than most secular politicians. The party which he founded along with Rabbi Ovadya Yosef ran TV propaganda blasting “professors who teach our boys that man comes from apes”—and yet Der'i is a reasonable man, perhaps even an intellectual one.

His party could give Labour the government—but for now, it probably won't.

Reclining in his office, drawing on his pipe and surrounded by Ashkenazi aides, the 30-year-old Der'i explains why. “Of course I'm not satisfied with the pace of progress towards peace but I believe the unity government has to continue because there's no alternative for peace under a narrow coalition.”

Just returned from one of his frequent meetings with the prime minister, Der'i says: “I think Shamir himself understands—perhaps against his will, even if he has to be dragged along—that there will be progress. It may be slow, but it will come. Eventually elections will be held in the territories, and we will advance, slowly but surely, towards the solution.”

The model of the solution that Der'i supports in theory differs little from the Labour Party's model of “territories for peace.” The theory was advocated by Yosef on the recent trip he and Der'i made to Egypt, and it was repeated before supporters at home, albeit hesitatingly, and with the caveat that “it's not possible at present.”

But, Der'i sighs, “even with Labour there can be no territories for peace, because no Arab state will agree to less than all the territories we occupied in 1967, and no Israeli government can afford to give them that, period. Therefore the real question is over the degree of self-rule that we will give the Palestinians. It's best to deal with that question as the diplomatic initiative has later.”

Der'i refuses, however, to reveal what degree of self-determination SHAS will tolerate. An independent Palestinian state? “This should be discussed later,” he insists. “We must let the process play itself out.”

Despite his steadfast personal support for the continuation of the unity government, Der'i occasionally hints that he would support a Labour government after the next elections—and that this position has been coordinated with the ultimate party authority, Rabbi Yosef. At a meeting with the Press Club last week, Der'i addressed himself to his party's

inability to support Labour up till now, despite the chemistry between the two parties' leaders and ideological proximity on the peace issue. It's true, he said; the party's supporters far prefer a Likud government.

“As long as SHAS's positions were unclear, there was a legitimate argument not to go with Labour, which might have been an unpleasant surprise to some supporters. In the previous election, there were a lot of unanswered questions on what we think about the territories. But now that Rabbi Yosef has made the party's position crystal clear on the matter, we will, after the next election, feel free to support whoever we want without feeling that we have misled anyone.”

Der'i believes that the right-wing leanings of SHAS's constituency “have largely been imposed by circumstances,” whereas their hatred of Labour isn't that deep. “That's why SHAS exists,” he says.

Why, indeed, is there a SHAS? Does Der'i really believe that what Israel needs is a crystallization of ethnic divisions?

“This is exactly the kind of thinking that led to the problem SHAS has to solve,” Der'i answers. The real intention was not to mould people into Israelis, but to westernize the Sephardim. Either way, one thing is certain: it didn't work. So our path is now the only way.

“The people of Israel are destined to live as tribes,” Der'i continues. “But to live together peacefully, we must make the tribes feel equal to each other. Having one segment of the population feeling inferior will not lead to a healthy situation.”

“SHAS has returned a measure of pride and self-confidence to an entire segment of the population that has, for whatever reason, lost it since they came to Israel.”

The key, Der'i says, was avoiding the anti-establishment rhetoric and negative message that previous ethnic parties like Tami employed. “Our message is positive; he says. “We talk about tradition, about education, about recreating what was lost. This gives people something to identify with a feeling of pride.”

Der'i's personal history goes a long way towards explaining why SHAS's message does not comprise the standard litany of persecution.

Arye-Mahluf Der'i, born 30 years ago in Morocco, was not part of the traumatic North African immigration wave of the 1950s. Arriving in Israel only in 1969, Der'i was spared much of the humiliation experienced by the earlier immigration.

Still, the family did lose socio-economic status and found its way to the poorer quarters of Bat Yam and Holon. Like many Sephardi children of similar background, Der'i attended an ultra-Orthodox school, not because his family was haredi, but because those schools provided a better education than the state did in those areas.

Der'i eventually entered the Hebron Yeshiva, where he shone among his Ashkenazi fellow-students, with whom he mixed easily, while preserving his Sephardi identity. He became tutor to the young son of then chief Rabbi Ovadya Yosef. Years later, when Yosef left his post in bitterness, it was Der'i who convinced him to form an ultra-Orthodox Sephardi party. Together with other Sephardi rabbis proposed by the sympathetic Rabbi Eli'ezer Shakh, head of the Ponevezh Yeshiva and former head of Aguda's Council of Sages (who was having his own battles in Agudat Yisra'el), they took over a fledgling local Jerusalem ethnic list called SHAS.

In the next general elections, Der'i predicts, SHAS will double its power to 12 mandates.

Is Der'i, to all appearances a determined and thoughtful man, not frustrated by the necessary subservience to Rabbi Yosef and other Torah sages?

"Not in the least. I took it upon myself to accept his decisions, and I have never been disappointed. Conversations with him are a cleansing of the mind. It's not like a dictate. It's a discussion. And although sometimes I have disagreed with decisions made, in retrospect I also saw the wisdom in them."

Is there a limit to this subservience? What if he felt a decision was stupid? "It's inconceivable. I know it won't happen."

Der'i draws on his pipe, and patiently explains: "I know this is difficult for you to understand. But believe me, I wish every politician had an authority like this to turn to." Why shouldn't the authorities themselves be in the government, instead of their subordinates? "It's good to have a division between men of thought and men of action," is Der'i's response.

Despite the reputation his actions and statements have earned him, a word of warning to Der'i fans in Ramat Aviv and Rehavia: the man who was crowned "Man of the Year" by the far-left weekly HAOLAM HAZEHI is not exactly a liberal.

This is clear to anyone who listens to him explain why he abolished censorship on plays: "Who sees plays, anyway? A small, elite segment that would not be adversely affected, but got a lot of free publicity when plays were censored. There's no harm in not censoring them."

In "exchange," Der'i intends to "considerably strengthen" censorship of movies, "which are seen by vast numbers of impressionable young people."

Isn't such censorship opposed to the spirit of our age—the age of information of the bringing down of barriers?

"Where has all this liberality got us?" Der'i demands. "All over the civilized world they are realizing that excessive openness can be counterproductive to creating a health society—and you can see the kind of censorship I'm talking about increasing in places like Scandinavia and England."

Der'i does not believe in religious coercion, and is one of the primary opponents of the party's joining the Aguda in several of its demands for religious legislation. Instead, he takes pride in how "things have been resolved quietly." The daylight-saving time controversy, registering the Ethiopian immigrants as Jews, sweeping the "Who is a Jew" issue under the rug—he notes these with pride.

At the same time, Der'i opposes the proposed Basic Law: Human Rights on the grounds that it is a backhanded way of separating religion and state. On Sunday, Der'i clashed with a close associate, Justice Minister Dan Meridor, over the latter's support for efforts to pass the law he drafted, which was tabled by Shinui's Amnon Rubinstein and left-wing MKs. Privately, Der'i claims that those who are pressing for the law are doing so "to bring down the coalition."

Der'i shows no sign of tolerating civil marriages. Isn't this, after all, the most prevalent—and perhaps most painful—example of religious coercion? "It's not coercion," Der'i maintains. "If you had a referendum, 90 per cent would vote against allowing civil marriages. Jewish marriages are necessary to hold the people together. If we allowed civil marriages, you would really have a 'Who is a Jew' problem. It would be anarchy."

Unlike the Aguda representatives, Der'i does not oppose the electoral reform proposal. This is because, unlike many of his colleagues, he understands it. When he heard of the campaign by electoral reform activist Professor Uri'el Reichman, he scheduled a meeting and studied the proposal for several hours.

"I don't oppose it. I do, however, oppose all the noise people have made about it. They act as if it will substantially change the makeup of the Knesset. The only aspect of it that will change the way the Knesset is divided up is raising the minimum-vote threshold, and that can be done without all the fanfare that has accompanied the electoral reform issue."

What about a change in the system of government, including the direct election of the prime minister? "I'll surprise you," says Der'i. "I'm not against that, either."

It is interesting to speculate whether this might be because direct elections would greatly increase the possibility of someone other than a Labour or Likud candidate running—perhaps as the first Sephardi or haredi prime minister.

It's unclear at this point just how much support a man like Der'i could amass, but safe to assume at this point that his primary power base is in Rabbi Ovadya's two-room Jerusalem apartment. In SHAS, Der'i may be the man of action, but the men who bring in the votes are Ovadya Yosef and the charismatic, occasionally shocking Rabbi Yitzhaq Peretz, Minister of Immigration and Absorption.

For the first time in over an hour, Der'i seems unnerved when asked why, out of all the bright young men in politics, he should be Israel's interior minister. Was there an element of his having been in the right place at the right time?

"I don't have to answer every question," he snaps, putting out his pipe. "Let other people deal with that question. Let them look for the excuses."

Arye Der'i, who as interior minister has a profound effect on the state's relations with its Arab minority, started out on the wrong foot when he appeared on TV the night of the municipal elections and blasted the strengthened Islamic movement. He said that "we will miss the Communists," who were replaced by Islamic candidates in several locales, including Umm-al Fahm.

To his credit, Der'i went to the villages in question, apologized, learned about their problems and took very active steps to help solve them. Today, Umm-al Fahm is one of several communities in the Arab sector selected by the ministry to receive special planning and funding help, to become "a model for what can be done." Each year, Der'i promises, different towns will be selected for similar treatment.

"In Umm-al Fahm, says Der'i, "we've nearly solved the problem of the sewage, which literally flowed in the streets. We've enlarged the city hall, and improved services.

"With the Arabs there was real problem. There's no point denying that there was discrimination in every way. And we are talking about a population that is approaching one million. Parts of it live in Jewish areas. Today, we are making a genuine effort to correct what was done; I would say that there has been positive discrimination in many cases. Now we occasionally look more favourably on granting funding and privileges to an Arab town than, say, somewhere like 'Afula."

Der'i believes the Arabs will be the primary beneficiaries of his new regulations granting local municipalities long-term repayment of loans.

"There's much more to do," he says, "but there's another side to the coin: the Arabs now know that the law will be enforced. There will be a crackdown on illegal building, as there was in al-Tayyibah earlier this year. I think they appreciate this way better. Note that there were few protests in al-Tayyibah. I would say that today relations between the Interior Ministry and the Arabs are much better than ever before."

### **West Bank Jewish Councils Seek Greater Recognition**

44230018G Tel Aviv HA'ARETZ  
in Hebrew 15 Sep 89 p 12B

[Text] The heads of the local councils in the West Bank recently opened a new battle front. This time, the theater is the Local Authority center. Several days ago, in a

meeting which they called at Ma'aleh Adumim, the nine heads of the local councils in the West Bank announced the establishment of a forum of local councils in the territories, which will, according to them, fight to obtain fair representation in all institutions of the Local Authority center, including its committees, and its economic subsidiary companies, such as Mif'al Hapayis [the state lottery], the Automation Company, the Economic Company, and the Local Authority Treasury Bank.

They claim continual discrimination against their representation in the institutions of the Local Authority center. They are also currently demanding for themselves the post of deputy chairman in the center. These claims sound strange, inasmuch as the Local Authority is currently controlled by members of the Likud. However, when it comes to the distribution of positions and the guarantee of seats, ideology is pressed into a corner, and Likud workers prefer to make deals with the Labor Alignment provided that their position is assured and that their seats are not undermined.

It emerges that this is what happened when the West Bank local council heads discovered that they were not invited to the forum of heads of development towns. They hastened to the court and obtained an order which prevented the convocation of the meeting. 'Amos Tartman, the head of the Ma'aleh Adumim council, indicates that it became clear to him that Likud's candidate for the chairmanship of the development towns forum made a deal with Labor Alignment representatives in the Local Authority, according to which Labor Alignment members would support his candidacy. The Likud candidate refrained from inviting the West Bank council heads lest he anger Labor Alignment members and ruin the deal.

Tartman indicates that representation of the local councils from the territories in the institutions of the Local Authority is a right which should not be denied, because these council heads are full members in the Local Authority center, and they have participated in votes held in it. They are also entitled, he believes, to be included in the forum of heads of development towns, because the state of Israel recognizes all settlements in the territories as development towns for the purpose of receiving different bonuses. It is important for the heads of local authorities in the West Bank to belong to this forum, because it exercises a significant influence on government and Knesset finance committee decisions. However, judging by the findings of a new research study undertaken by Dr Gabri'el Lifshitz under the auspices of the Jerusalem Institute for the Researching of Israel, "urban and communal settlements in Judaea and Samaria—defined as development towns by the different governmental ministries, such as the Industry and Commerce Ministry, the Housing Ministry, and the Labor and Social Welfare Ministry (center of direction for development towns)—were not suited to be defined as development towns, because their socioeconomic level is among the highest in the state. This does not disturb the local council heads in the territories when they claim

discrimination and injustice regarding terms and allocations compared to settlements inside the green line.

In the scope of their activity in the Local Authority center, West Bank local council heads will demand equality between the regulations in effect for local councils both inside the green line and in the territories. In particular, they will insist on equality in the number of deputies for each authority head. For example, in Ma'aleh Adumim, such a regulation would make it possible to increase the number of deputy council heads from one to two, with all the terms of service which accompany this. They will also demand the application of the fine option in the local authorities in the territories as well. Tartman emphasizes that the equalization of terms between the local councils inside the green line and those in the territories will result, for example, in the return to local councils of 40 percent of the vehicle fees collected from vehicle owners in settlements in the territories.

They will also demand the establishment of a civil guard in the settlements, which they have so far been prohibited from doing, because of the security system's opposition. Tartman emphasizes that the council heads in the territories are prepared for full equality between the councils, after which they would be willing to accept the cancellation of several bonuses currently given only to residents of the territories, such as exemption from paying the television fee. Legal elements in the Interior Ministry indicate that nothing legally prevents the inclusion of local council heads from the territories in the bodies of the Local Authority center, which is an autonomous association which has determined that all local authorities in Israel would be included in it. The legal question likely to be asked is whether the definition of "Israel" also includes settlements in Judaea and Samaria from the standpoint of international law.

Regarding the demand to apply the municipal laws effective inside the green line to Jewish councils in the territories as well, the same Interior Ministry elements indicated that a substantial portion of these same laws and regulations are actually in effect pursuant to orders and special regulations issued by the commander of the region regarding the councils in the territories. A decision on the full, sweeping application of all municipal laws to the local councils in the territories is liable to raise political and legal problems for the government regarding the annexation of the territories.

### **Palestinian Use of Weapons 'Likely'**

#### **Rules of Engagement Changing**

44000061 Jerusalem THE JERUSALEM POST  
in English 15 Nov 89 pp 1, 12

[Article by Kenneth Kaplan: "IDF Gaza General Warns 'The Rules Have Changed'"]

[Text] Gaza—Brig. Gen. Tzvika Poleg, commander of IDF [Israel Defense] forces in the Gaza Strip, warned

Palestinians yesterday that when lethal weapons are used against soldiers, "the rules of the game" are changed.

Poleg was speaking to reporters at the site along the coastal road, a kilometre south of Gaza City, where three unidentified terrorists armed with at least one Kalashnikov assault rifle ambushed an IDF jeep on Monday evening, shooting and killing one soldier and seriously wounding a second.

"We're still deployed to combat the popular activities of the intifadah. I hope we do not face any new kind of activity," Poleg said. "I hope that those elements responsible for the attack understand that the rules of the game change when lethal weapons are used against soldiers."

Also yesterday, Chief of General Staff Dan Shomron said that the IDF was aware that terrorist cells in the territories had received instructions recently to try to heat up the intifadah by carrying out armed attacks.

Poleg said he believed the timing of the attack, in which Corporal (res.) Yisra'el (Srul) Trechtenboit, 42, was killed, and Ze'ev Traum, 43, was injured, was connected with Palestinian "Independence Day" today. The IDF, he said, had received intelligence warnings that Moslem fundamentalists would try to carry out attacks with lethal weapons on or near the first anniversary of the "declaration of independence" in Algiers.

The IDF considers it likely that terrorists from the fundamentalist group Hamas carried out the attack, Poleg said. Israel Radio reported that an anonymous caller to the Arabic-language department had claimed that Hamas was responsible for the ambush.

Following the ambush, which took place shortly after 6:30 p.m. Monday, the IDF clamped a curfew on the nearby Shaykh al-'Ajalín neighbourhood and sealed off the Gaza Strip, which was declared a closed military zone. It beefed up its patrols along the border between the Gaza Strip and Egypt and along the Green Line to prevent the terrorists from escaping. Security at the Rafah border crossing point was also stepped up.

Widespread searches were conducted for the attackers, with IDF soldiers from a Druse unit carrying out house-to-house searches in the Shaykh al-'Ajalín area. Three sets of footprints led from the scene of the attack to that neighbourhood.

A naval blockade of the Strip was also put into effect, and Navy boats could be seen on patrol several hundred metres off shore.

A preliminary investigation into the attack indicated that three attackers fired some 30 bullets from one or more Kalashnikov rifles at the jeep in which Trechtenboit and Traum, both serving in the same reserve artillery unit, were travelling. The attackers waited in the dark behind a stone wall set into a sandy ridge along the road.

After the jeep, which had just finished a routine escort assignment, passed on its way north, the terrorists fired



into it from behind. Six bullets hit the vehicle, which continued travelling some 40 metres before turning over.

Both soldiers were hit in the head from behind by single bullets which penetrated their helmets. Minutes later an officer drove by the area and noticed the overturned jeep. He spoke to Traum and radioed for help.

Three military doctors treated the men until a helicopter arrived and took them to Soroka Hospital in Beersheba, where Trechtenboit died shortly afterwards. Traum, who is from Kibbutz Yodfat, is in "serious but stable condition."

Shomron and OC Southern Command Matan Vilna'i arrived at the scene on Monday evening. Defence Minister Rabin visited there yesterday morning.

The wall the terrorists used for cover and an adjacent abandoned building were dynamited yesterday.

Poleg said there would be no immediate change in the IDF's policy in the wake of the attack, though he noted that terrorists in Gaza had both machine-guns and grenades.

He noted also that in the last three weeks the level of violence in the Strip had been very low, and that no Palestinians had been killed in clashes with the IDF during that time.

The two soldiers were travelling in accordance with IDF regulations, Poleg said. The stretch of coastal road where they were attacked was considered to be relatively safe, he said, and IDF vehicles were allowed to travel there unescorted.

In an address to the Economic Forum in Jerusalem yesterday afternoon, Shomron said: "We know that now, at a time when the participation of residents of the territories in the intifadah has lessened, orders have come down from above, including from the PLO, to terrorist cells to carry out harder, more murderous attacks in order to return the intifadah to the international agenda. The murder of the soldier in Gaza is an expression of this."

Shomron said he had met with soldiers from Trechtenboit's reserve unit half an hour before the attack.

"Some of them complained to me: 'We're playing with little children who throw stones and run away. That's the whole intifadah.' I told them that I hoped that was really the whole intifadah and that they wouldn't be in a situation where someone shot at them. I said that and didn't know that half an hour later exactly that would happen," Shomron said.

Hundreds of friends and fellow soldiers were present yesterday afternoon at Trechtenboit's funeral, conducted in driving rain at the military cemetery in 'Afula.

Trechtenboit was the first soldier to be killed in the Gaza Strip since the beginning of the intifadah. Two of the five soldiers killed in the West Bank lost their lives in shooting incidents. The last soldier to be killed in the

Gaza Strip was Captain Ron Tal of the Military Police, who was shot by Islamic Jihad terrorists in an ambush on him in August 1987 while he was driving his car in Gaza.

### Rabin: 'Shooting More Likely'

44000061 Jerusalem THE JERUSALEM POST  
in English 15 Nov 89 p 1

[Article by David Makovsky and Asher Wallfish:  
"Rabin: Palestinians Now More Likely To Shoot"]

[Text] Palestinians are now more likely to use firearms to give momentum to a "stalled" intifadah and to resort to "terror tactics" today to commemorate the first anniversary of the Palestinian "declaration of independence," Defence Minister Yitzhaq Rabin told the Knesset Foreign Affairs and Defence Committee yesterday.

Rabin stopped short of saying that the killing in Gaza marked a new phase in the intifadah.

Monday's shooting in Gaza may be followed by more today in line with instructions from intifadah leaders, Rabin said. He warned Palestinians that the IDF [Israel Defense Forces] would act to quell both violent activity and celebration of their "Independence Day."

Rabin also said that the IDF had information suggesting that today all intifadah activists were committed to the use of arms. But Rabin said he doubted that intifadah leaders would ever openly call for a wave of killings against Israelis, as that would be an "admission that the intifadah has failed."

In the plenum later, replying to four urgent motions for the agenda, Rabin noted that after the shooting in the Gaza Strip, the IDF had sealed off the entire Strip by land and sea.

No ambush had previously been mounted by the terrorists on a main highway outside built-up areas, he noted.

"We had prior notification of the intention of various terrorist organizations to use explosives and firearms in the near future with intent to kill," Rabin told the Knesset. "One hour before the ambush, the IDF chief of general staff talked to another unit of the same artillery company and urged maximum vigilance because of the terrorists' reported plans."

He said that the IDF would not issue new orders restricting vehicular traffic in the territories by soldiers or civilians. "Single vehicles will not be forced to ride in convoy. We will not surrender to violence," he said.

### Complaints of Police Violence Under Investigation

44230032F Tel Aviv DAVAR in Hebrew 6 Oct 89 p 16

[Article by Yoram Levy: "Green File"]

[Text] Assistant Commander Ami Fleissig, outgoing chief of the Public Complaints Department, claims that police policy dictates a hard line against policemen who



use force gratuitously. No other body can investigate the police as well as it can do so itself.

One thousand investigation files against policemen are waiting for endorsement and decision at the prosecutor's office because of a shortage in manpower, said Assistant Commander Fleissig, who for the past 2 years served as chief of the Police Public Complaints Unit and is just now retiring.

In recent years police violence attracted renewed public attention, particularly since the beginning of the intifadah. The police leadership, too, is aware of the fact that policemen are using exaggerated physical force. Recent efforts to deal with the problem included increased manpower for investigative personnel to examine complaints, more severe discipline enforcement, and extensively dealing with the subject throughout all training stages.

The Public Complaints Unit was established 16 years ago. Its center is at the general headquarters in Jerusalem, and its task is to deal with complaints against police personnel in three areas: the use of force, unsuitable behavior, and unsatisfactory performance of duties. Criminal offences—bribe or theft—are investigated by an internal investigation department.

Complaints are examined by public complaints officers. Investigation files are then examined by unit legal advisers and forwarded to the prosecutor's office for study and final decision. Complaints concerning police use of force are examined exclusively by a special unit subordinated to the public complaints unit. This subsection was established at the recommendation of the Sirota-Eytan Committee and features 21 legal advisers. It is important to note that the public complaints unit is directly answerable to the police general commander.

The police views public complaints as criticism of its performance, said Fleissig, stressing that in contrast to regular criminal investigations of civilians, complaints against policemen cannot be included in the definition "lack of concern with the public." Thus, in reaction to court remarks, press reports, and appeals by outside factors—such as the Civil Rights Association and witness testimonies—the police initiated 54 percent of all the complaints filed in 1988. In one-quarter of the complaints the filer himself does not cooperate, but the police continues to investigate the complaint "much to the policemen's displeasure," Fleissig added.

Most complaints involve field units, i.e., first and second administrative district police and border police, which come into daily contact with citizens and whose duty is to enforce the law. According to Fleissig, the nature of the job itself elicits resistance, complaints, and dissatisfaction. Since 1973, investigations show that the number of complaints has been gradually rising. In 1973 there were 390 complaints about the use of force. In 1988 there were 1,791 complaints. Fleissig views these statistics as a good sign, as proof that the public has faith in the police in spite of the fact that it carries out investigations itself. He is also pleased with the fact that the

number of justified complaints has been dropping every year: from 34.5 percent in 1973 to only 16.4 percent in 1988.

The turning point in the police attitude to complaints against its men, particularly in the matter of violence, apparently came after the appointment of Hayim Bar-Lev as police minister. Bar-Lev brought up the subject at each meeting with policemen and initiated national meetings with police officers at which he sounded the alarm against that phenomenon. Commanding officers were made personally answerable for the men serving under them. "Commanders and policemen whose units were found responsible for violence were summoned for talks with General Commander Kraus," Fleissig said. He revealed that recently two station commanders in the north and center of the country were fired on such grounds. Policemen are given disciplinary punishments beginning with warnings, transfer to jobs where there is no contact with the public, and suspension, ending with dismissal without trial. "The policy on what is allowed and what is not when it comes to the use of force is very clear and unequivocal; policemen understand it and they know the personal risk they run. We give them little leeway in this respect, even though they don't like it. But they must either comply or quit," according to Assistant Commander Fleissig. He stressed that as long as a policeman is under investigation—which in police parlance is known as having a "green file"—a policeman may not be promoted in job or grade and may not be sent to courses.

The police is aware of the fact that policemen tend to cover up for each other, commanding officers are warned against the use of force, but in the field this is encouraged or ignored.

Assistant Commander Fleissig may be described as a "professional complaints officer." During his police career he served as first and second administrative district complaint officer and as head of the investigations department of the Jerusalem police. At that time he learned the subject of complaints against policemen from the other side of the fence. That is why he attributes great importance to investigating false complaints against policemen. False complaints are filed for a variety of purposes: in order to take revenge on an arresting policeman, as an attempt to escape punishment for an offence, in preparation for appearance in court, and at times to explain confessions. "Policemen are exposed to false complaints, which are usually difficult to prove," Fleissig admits. Consequently, his instructions are clear: In every case of suspicion of false complaint, a criminal file should be opened against the complainer. "We make every possible effort to bring the case to court with an indictment. That is the least we can do for policemen." Fleissig is convinced that fear of complaints, especially because of the effect on promotions, may cause a policeman to hesitate to do his duty. "It is a pretext to evade fulfilling one's duty and to take a timid attitude." If the system doesn't lay down the law on the civilian in question, especially if he is a criminal,

Fleissig claims, there is a danger that the policeman may attempt to do it himself. How does the police handle the problem of violence against the intifadah? The same rules apply to the intifadah, says Fleissig. There is no justification for using force against Arabs. The same standards apply to everyone. We know that policemen who acquire the habit of violence in the course of their contact with the intifadah will use it in their routine duties, too.

[DAVAR] Is the violent image of the border police justified?

[Fleissig] "At the beginning of the intifadah they tended to be 'heavy handed,' but we soon identified the problem and put things into proportion as is the case for the general police. In the first year of the intifadah there was a 70-percent increase in complaints against border policemen concerning the use of force. In the first half of this year we received 108 complaints, which constitutes a 6-percent drop from last year. However, we must remember that border policemen spend more time on the front line of the intifadah than any other police unit. The police command will soon appoint three division complaints officers, in addition to the corps complaint officers."

[DAVAR] How do you handle the use of force during questioning?

[Fleissig] "The assumption is that the ban on the use of force takes precedence over obtaining results in the questioning or over operations. This forces the police to develop sophisticated investigation methods, so that policemen don't have to be powerless against subjects, something that may impel them to use violence."

[DAVAR] We mentioned policemen covering up for each other. How do you find out whether three policemen indeed "laid into" a criminal during questioning, making him confess to things he didn't do, if the three testify that they didn't touch him?

[Fleissig] "Proof is not necessarily based on numbers. If three policemen say no and the complainer says yes, it doesn't mean that we believe the policemen. There are ways to check testimonies, there is such a thing as medical certification, there are polygraph tests, which are customary in disciplinary actions, and there are neutral witnesses. However, when we find ourselves in a stalemate, we send the file to court."

[DAVAR] What do you think of the claim that the police must not be permitted to investigate itself and that complaints must be examined by a neutral body, such as the Ministry of Justice?

[Fleissig] "There is no other body more competent and better equipped to conduct this kind of investigation. Moreover, the prosecutor's office has the last word on police findings at the end of the process. There is usually agreement between us and the prosecutor's office; they don't often dispute our conclusions."

[DAVAR] Investigations against policemen take a long time. Complainers are often harassed to the point where they prefer to retract the complaint.

[Fleissig] "On the average it takes 2 to 3 months to examine a complaint. The police is interested in short procedures so that witnesses will not forget incidents and authors of complaints will not be subjected to miscarriages of justice."

[DAVAR] What complaints bother you the most?

[Fleissig] "Cases in which policemen use force as a result of losing control of themselves or cannot restrain themselves when hurt. Also, complaints concerning revenge—for example, when a policeman gives a citizen a report only because the latter dared to complain about him. Since the beginning of the intifadah policemen have been exposed to violence almost daily, and that had a direct impact on complaints about the use of force."

A few months ago the general attorney sent a letter to the police including observations by Jerusalem courts about minority policemen from the Jerusalem police using force against detainees. Police Commander General David Kraus summoned all the department staff to ensure that they were clear on their rights and that they were acting according to the law. In parallel, the national public complaints unit began to investigate the problem. "It turned out that the number of complaints received did not exceed that of complaints against units similar in size and function," said Fleissig. According to him, out of 33 complaints received by the Jerusalem police against officers of that department, 28 concerned the use of force. This ratio, which differs from the norm, is due to attempts by security detainees to retract admissions made during questioning. According to Fleissig, many detainees are incited to file false complaints by friends who even fake signs of injuries on their bodies.

Out of 12 complaints on which investigations were concluded, only 2 were found to have been justified, and legal procedures are still under way.

### **Arab Women Reported Tortured in Israeli Prisons**

44230018E Tel Aviv HADASHOT  
in Hebrew 20 Sep 89 p 21

[Interview with Ya'el Oren, a Member of the Society for Female Political Detainees, by Gal Ohovski; date and place not given]

[Text] Despite mounting insensitivity, one is still amazed to hear news of sexual threats against Arab female detainees in Israeli prisons.

Ya'el Ranan, a lecturer in the Literature Department at Tel Aviv University, is a member of the "Society for Female Political Detainees," which has been operating since the intifadah started. About 30 active members and several hundred supporters are attempting to preserve minimum regulations regarding the treatment of Arab female detainees.

Lawyer Yosefa Piq and members of the movement meet on a regular basis with released female detainees and members of their families to clarify problems and needs. It has become clear that the essence of the problem concerns female detainees during pretrial incarceration, when almost no regulations apply.

Five months ago, the society published a detailed report of torture, and worse yet, sexual torture. The report reverberated somewhat in the press, and it also referred to the Jerusalem area police commander, who has yet to respond to it officially.

The matter has also led to an interpellation undertaken in the Knesset by Knesset Member David Libay, and to a letter written by Shulamit Eloni. This week, Ya'el Oren, the head of the movement, claimed on Swiss radio that "sexual torture is still continuing."

[HADASHOT] What exactly is this sexual torture? Where did it occur?

[Ranan] The problem is mainly in the jails, especially in the jail located in the Russian Compound [police headquarters] in Jerusalem. Most of the investigations of Palestinian female detainees take place there, before they are brought before the court, and actually before charges are brought. The rights of a jailed detainee are not anchored in the law. Therefore, we actually have no way of knowing what these female detainees deserve and what they are entitled to demand. We did not come across any written law or directive regarding treatment of detainees in jail in the course of all our inquiries.

[HADASHOT] What does sexual torture actually include?

[Ranan] It includes threat of rape and similar threats. For example, they threaten to thrust a wire into the female detainee, or to give her to someone who will rape her. There are even threats of the type in which the detainee is told: We will bring your mother and rape her in front of you.

[HADASHOT] Is it known that such threats were carried out?

[Ranan] No, not as far as we know. However, a female detainee is isolated for more than 2 weeks. She sees no one, including a lawyer. In addition to dry blows and physical torture, which occur daily, they also threaten to rape her. It should be remembered that the issue here pertains to female detainees who are sometimes 15 or 16 years old, which alone is frightening.

[HADASHOT] What kind of blows are involved here?

[Ranan] Greatly beyond what is reasonable. Regular blows to the face and head—no one undergoes an investigation without them. When we speak with detainees, they usually treat this as an inseparable part of the jail experience. However, it became clear that blows with fists are also administered to the head and stomach, and there are cases in which they use wooden clubs to

deliver strong blows to detainees. In some cases, these blows leave permanent scars and disabilities.

[HADASHOT] Do you have examples?

[Ranan] We have many examples. I personally met a girl who required glasses after imprisonment, because the blows which she received from a club damaged her vision.

[HADASHOT] Why was she arrested?

[Ranan] She was arrested for being on a roof. They claimed that she signalled to demonstrators that the army was approaching.

[HADASHOT] Was she tried?

[Ranan] Yes, and she also sat in jail for several months. She related that it was clear to her she would receive regular blows on the way to jail and in jail itself. This is automatic. However, she also received blows with a club.

[HADASHOT] Do your activities result in fewer blows being given?

[Ranan] I do not know. However, in recent months, there have been no complaints about two types of torture which were very acceptable until recently: sack torture and coffin torture. Nonetheless, it should be indicated that men, of course continue, to be treated with these methods.

[HADASHOT] What are you talking about?

[Ranan] They place a large sack, which comes down to the chest, over the detainee. They tie her hands behind her and leave her in this way for days. She cannot see anything, and the sack itself is also abrasive. In the middle of winter, some detainees also received cold-water showers. The coffin is that same famous coffin, 100 by 80 cm, in which the detainee spends several days without being allowed out, not even to relieve herself. However, as stated, complaints have not been made about these two types of torture among female detainees for 2 months.

[HADASHOT] Beyond this, how are prison conditions?

[Ranan] They found a room, 4.5 meters by 4.5 meters, three-quarters of which were occupied by lavatory facilities, in which 26 female detainees were held for not a brief period. They were kept in the cell for 23 and ½ hours a day. They let them out to get some air for only a half hour.

[HADASHOT] Is there a way to help?

[Ranan] As I said, the problem is that there are no fixed laws regarding jail. We, Shulamit Eloni, and all types of people attempted to clarify the matter, and found that no clear, general directives exist. There is no order regarding the number of women permitted to be held in one room, or the amount of time for walking outside to which they are entitled. There are simply no regulations.

The problem is that, during pretrial incarceration, the authorities have a greater interest in applying pressure to exact confessions. After the trial and verdict, the detainees move to prison and are then under strict regulations. There, the complaints are less severe.

[HADASHOT] Why does this occur precisely in the Russian Compound?

[Ranan] Because most of the investigations are conducted there. Also, apparently—I cannot say clear things about this—this is connected to prison heads from Ashqelon and Abu-Kabir, where there are usually not many investigations. Nor are complaints made.

[HADASHOT] Why are you publicizing the data outside of Israel?

[Ranan] It is mainly a means of pressure. Whatever is published abroad and causes reverberations is likely to receive speedier treatment here.

[HADASHOT] According to the accumulating data, do you feel that your activities help?

[Ranan] We actually only gather data and refer it to bodies with greater power, mainly Knesset members or the press. We ourselves can do little more than gather material. The hope is that this will have some cumulative effect. We cannot bring an end to the beating of female detainees. The truth is that we have achieved very little regarding the Russian Compound, the most problematic place.

[HADASHOT] Do you feel frustrated?

[Ranan] That relatively few women are arrested, investigated, and beaten must be considered. They are in the hundreds, I think, no more. There are thousands of men who are treated in this way and in more terrible ways.

### **Arab Workers Blamed for Crime in Israel**

44230018F Tel Aviv HA'ARETZ  
in Hebrew 20 Sep 89 p 11

[Article by 'Amos Ben-Vered and Tzvi Zarihiya]

[Text] In the past 10 years, 28,000 residents of the territories murdered, raped, assaulted, and committed other crimes in Israel and were convicted in the courts. Six thousand of them were repeat offenders. They stay overnight in Israel contrary to a general government directive requiring each resident of the territories wishing to stay in Israel between 0100 and 0500 hours to have a personal permit. They work in Israel contrary to a directive stipulating that they obtain employment through the Employment Service. An estimated 20,000 have also rented apartments in violation of a government order.

The Chairman of the Knesset Law and Constitution Committee, Knesset Member Uri'el Lin, has been protesting this situation for several months. Several ministers or their representatives in charge of various aspects of the problem

have appeared in Lin's committee. Some, including Justice Minister Dan Meridor, do not wish to enforce the law for ideological reasons. Others have advanced economic arguments pertaining to the welfare of the state economy. Some have spoken of a manpower shortage. Still others have argued that applying the law to the Arabs would oppress the Jewish population in the vicinity.

### **Strange Alliances**

In response to a request for authorities to do something about the matter, strange alliances were formed: On one side are Labor Alignment doves and Shinuy (Knesset Members Hayim Ramon and Amnon Rubenstein), who favor segregation and seclusion; on the other are proponents of continued coexistence on this side of the green line, albeit provided that damaging elements are dispersed. The latter include Likud members, such as Committee Chairman Lin, and National Religious Party members, such as Yitzhaq Levy. However, Defense Minister Yitzhaq Rabin and Police Minister Hayim Bar-Lev each claim that the other must take the initiative.

In 1968, the interior minister transferred his authorities to the defense minister pursuant to the Israel Knesset Law. As a result of the ensuing confusion over purviews and authorities, nothing, or almost nothing, has been done. As stated, the Government Order of 1968 determines that Arabs of the territories have general permission to enter Israel, provided that they do not: stay in the sovereign area of the state between 0100 and 0500 hours; reside in the state (i.e., rent an apartment); obtain employment except through the Employment Service; start a business.

Actually, several tens of thousands stay overnight inside the green line. Their number has been increasing since the intifadah began, because Arab workers fear returning to their villages, lest they be unable to return to work in the morning because of national leadership watches. At least 20,000 of them stay in apartments, all of which are at the disposal of Arabs from the territories—i.e., these apartments are being rented in violation of a government order.

According to data of the Central Bureau of Statistics, in mid-1986, the number of Arabs from the territories employed in Israel totalled 107,000. In the past, the bureau checked the number of workers from the territories based on surveys taken at places of employment, and on the number of workers passing through inspection roadblocks. Subsequently, the measurement system was changed, because Arab workers began to stay overnight inside the green line, not returning nightly to their homes in the territories.

The bureau is currently checking the workers' number of work hours, not the actual number of workers. Data from the bureau indicate a 25-percent decline in the input of work hours put in by workers from the territories employed in Israel in 1988 compared to 1987. Employment Service General Director David Mena' estimates that about 115,000 Arab workers from the territories are employed inside the green line. The Employment Service issued only 32,889 work permits in July 1989. In other

words, more than two-thirds of Arab workers from the territories are employed without permits. Mena' thinks that the Employment Service Law, which requires workers from the territories to be employed through the Employment Service, should be applied to employers.

#### **Campaign To Locate Workers**

The Employment Service yesterday planned to undertake a campaign to locate workers from the territories who do not have work permits. Groups of Employment Service workers in the central part of the country were supposed to deploy at construction sites and apartment buildings housing workers from the territories to request to see these workers' work permits.

According to Employment Service data, there are large concentrations of workers from the territories who lack permits in the Tel Aviv area. A large number of workers is also employed in agriculture in the Rehovot area.

Nevertheless, the Employment Service's current budget, most of which is allocated to reduce unemployment in Israel, does not currently enable the service to undertake extensive operations to detect foreign workers and workers from the territories who are employed even though they lack permits. Regarding the employment of workers without permits, Deputy Labor and Social Welfare Minister Rabbi Ze'ev Feldman told the Law and Constitution Committee that there are normally 10 inspectors (there are actually 8 at present) who are qualified to check work permits, whereas there are tens of thousands of employees. Therefore, it is impossible to bring to justice a worker lacking a permit or an employer who employs someone without a permit.

Mena' believes that the security authorities must prohibit workers from the territories who do not have work permits from entering areas inside the green line. He favors the issuance of work cards to workers from the territories employed in Israel. Only holders of these cards would be able to work inside the green line. Mena' suggests that a 500-shekel fine be imposed on employers for each employee from the territories lacking a legal work permit.

#### **Evasion of Payments**

The employment of unlicensed workers from the territories helps employers evade the transfer of payments for workers' social rights. According to Employment Service data, the majority of unlicensed workers from the territories are employed in construction. Many employers in the construction branch prefer to employ unlicensed Arab workers, because otherwise they would have to set aside 43.33 percent of their workers' gross salaries for social rights, which include payments to insure against vacation time, health, sickness, professional seniority in the building branch, and more.

The allocations which employers must make for workers from the territories are lower in the industry and services branches. Allocations made by the employer and the worker

in industry and the services total only 18 percent, including employer set-asides amounting to 12.5 percent, and basic pension deductions from workers' salaries amounting to 5.5 percent. Allocations in the agricultural branch total 25 percent, including employer set-asides amounting to 19.5 percent, and basic pension deductions from the workers' salaries amounting to 5.5 percent.

According to a government decision, employers of workers from the territories must set aside these sums for their workers each month. Employers transfer the payments to the Employment Service's payments section, which effects these allocations and transfers the net salary payment to the employer for transfer to the worker.

An analysis of data from a 12-month period covering July 1988-July 1989 shows a decline in the number of workers from the territories employed in Israel through the Employment Service. In July 1988, 40,556 workers were registered. In July 1989, 32,889 were registered. Accordingly, there was also a decline in the number of work days put in by workers from the territories in Israel, who are employed through the Employment Service.

The number of work days fluctuated last year from 779,297 in January 1989 to 601,975 in July 1989. The low salary paid to these workers is causing employers to continue seeking inexpensive workers from the territories instead of licensed workers, for whom they must allocate funds for social rights. Employers also prefer inexpensive workers from the territories over Jewish workers for the same reason.

The second method for controlling overnight stays was rejected by the police. In a letter sent to the committee, Police Minister Hayim Bar-Lev stated that the police do not intend to enforce this paragraph in the law, except in several special cases, including the existence of a specific security danger; when the overnight stay disturbs the environment, and residents in the vicinity complain; and when those staying overnight are involved in crime. The police minister further wrote that, in several cases, those brought before the court on charges of staying overnight illegally were fined only 50-100 shekels. A final point: In order to make an arrest, it is necessary to disturb the peace of a large population during the early hours (0100 to 0500 hours).

The justice minister added an additional argument in his appearance before the committee: The enforcement of the prohibition against Arab workers from the territories staying overnight on this side of the green line is liable to be interpreted as reconciliation with the line's existence. There are laws which are not enforced, including, among others, a government order prohibiting residents of Israel from being on the other side of the green line for more than 24 hours without a special permit.

As early as 3 years ago, Knesset Member Lin, before becoming chairman of the Law and Constitution Committee, began taking action against Arab residents inside Israel based on the argument of a higher crime rate. Last year, after several recommendations were referred to the

committee's agenda in this regard, the committee thoroughly examined the situation and issued a document which highlights serious crime stemming from the presence of workers from the territories inside Israel.

Since March 1989, the following incidents have occurred: The murder of Dr Shlinger by an Arab resident of the strip with a criminal past, who worked and lived inside the green line; the murder of a child, Oren Barhami, by two Arab residents of the strip with criminal pasts who lived and worked in Israel; the killing of 14 passengers on bus line No 405 by an Arab resident of the strip who lived and worked in Tel Aviv; the murder of an elderly woman, Tova Bernstein, by an Arab resident of a refugee camp next to Nabulus, who worked and lived in Tel Aviv; and the murder of Zalman Shlein by two young residents of the strip. Several other murders and abductions are also attributed to residents of the territories, though the suspects in them have not been apprehended.

#### 14 Percent of Crime in Tel Aviv

If those having a criminal past had not been permitted to work and live in Israel, several tragedies could probably have been prevented, believe members of the Law and Constitution Committee, who agree with the position of Chairman 'Uri'el Lin. If intelligence information on them had not been lacking (who, where, and when), the opportunity for them to perpetrate their crime would also have been diminished. If strictness were applied to work licensing and there were insistence on these workers being outside Israel between 1800 hours and 0600 hours (not just between 0100 hours and 0500 hours), it would be possible to tighten control and filter out negative elements.

That would of course not eliminate the problem. All 28,000 crimes are not murders. They also include theft, indecent acts, rape, the dismantling of cars, and the sale of stolen property. The crime rate of residents of the territories in the Tel Aviv district is 14 percent of the total, which is much beyond the percentage of Arab workers, even if it is assumed that there are several tens of thousands of Arab workers in Tel Aviv. Crime is not the only issue. There is also the feeling that this population, which lives in the gray area between staying illegally and committing crime, increases stress.

Controlling movement from the West Bank is not as easy as controlling movement from the Gaza Strip, because there are about 12 crossings from Gaza, compared to several hundred ways to cross the green line from the east. Possible ways to remedy this situation include preparing a comprehensive computer list of all persons who have committed crimes in Israel and forbidding such persons from staying in Israel. Identification cards of a different color can also be issued, which has so far been done regarding only 500 people considered especially dangerous, such as the security prisoners released in the exchange deal with Ahmad Jibril.

#### Problems Reportedly Growing Among Israeli Arabs

44230018B Tel Aviv HA'ARETZ  
in Hebrew 15 Sep 89 p 3B

[Article by Roman Frister?]

[Text] It was a sufficiently normal day in the Galilee, save for the Labor Party center convening in Karmi'el for its deliberations to demonstrate its sensitivity to the troubles affecting northern Israel. Much has been said about the need to Judaize the Galilee, and not a little verbiage has been poured out regarding coexistence between Jews and Arabs.

On that same normal day, Shoshana Arbali-Almozlino waived a planned visit to Abu-San'an. All of the Druze settlements were on strike, and it was doubtful if she would be cordially received. "Our brothers in arms" were protesting the Interior Ministry's decision to unite Abu-San'an with the neighboring village of Yasif, which, while administratively correct, was not marked by political wisdom, given the Druze' fear of mixing with a Muslim settlement.

That same normal day, several members of the center preferred to travel northward to Karmi'el on the Wadi Milk road, because a gasoline bomb had been thrown in Wadi 'Ara in the morning. There were no injuries, but why endanger oneself? Those coming from the west or east did not face any such dilemma. Police patrols had been positioned since the morning at entrances to the villages alongside the 'Akko-Karmi'el road. Apart from this, bless God, we already have a road bypassing Shafr'am, and other new roads bypassing unpleasant, densely populated Arab areas. It is no wonder that one travelling the road between Sakhnin, 'Arrabah, and Dir Hanna, for example, feels as if he were travelling in one of the neighboring states.

Yig'al Ruhi looked out upon this road from the heights of Hararit Lookout, one of the nicest places in the Galilee at 526 meters above sea level. To the south, as if in the palm of one's hand, unfolds a beautiful view of the Beit-Netofah Valley, in the center of which, between the cultivated fields, the National Water Carrier winds. Below, to the north, one clearly sees the houses of the village of 'Arrabah. In the past, Yig'al, like the rest of the lookout's residents, used to shop in this village. No longer. When the lookout was established about 10 years ago, much was said about good neighborliness. Yig'al states: "We have no contact with them at present. Nor do we even have Arab workers in Hararit. A gardener comes once every 2 weeks, but we will relinquish his services in the near future."

Yig'al was one of the first to settle at the lookout. He uprooted his family from Ra'anana to enjoy the environmental quality which only an isolated place such as Hararit can offer to its residents. He found work in a

REFA'EL [Combat Means Development Authority] factory in the nearby Segev bloc. However, if he had to make the decision today, he would think twice.

True, one can build a nice villa here for less than \$80,000, and those entitled to a mortgage have no problem obtaining one at comfortable terms. Nonetheless, the lookout, where 21 families live, is not growing. Yig'al points to 10 prefabricated structures which have remained empty for several years. On the western part of the lookout, an area has been reserved for the construction of 50 additional housing units. "People come, are impressed by the great view, ask questions, and do not return. I can understand them." His daughter, he explains to us, is serving in the IDF [Israel Defense Forces], in a hospital in Haifa. Theoretically, she could sleep at home while serving. However, she and her father have concluded that it is better for her to remain in Haifa to avoid travelling in the evening on a bus filled with Arabs.

He seeks to emphasize that he does not feel threatened. On the contrary, it was a girl in kindergarten in 'Arrabah who drew a picture of barrels filled with explosives rolling down the slope from Hararit Lookout toward the houses of the village.

On the outskirts of Dir al-Asad, children sell baskets filled with green figs. The image creates an atmosphere of quiet. However, at the start of the week, a private car heading to Karmi'el was hit by a hail of stones here. The stone-throwers have yet to be located, and the investigation is continuing. Deputy police commander Dani Taviv, commander of the Ha'emakim area, reported to journalists that 314 cases were opened during January-August 1989 against Galilee Arabs suspected of criminal acts with nationalistic motives. He is insistent regarding the dangers hidden in the constant escalation of hatred toward Jews, and he reported that the situation which has developed is currently a top priority within his purview.

The houses of Dir al-Asad are immediately adjacent to those of Bi'nah. During the Lebanon War, when we spoke with Bi'nah resident Mahmud Saha, who had requested to marry a refugee woman from the Sabra Refugee Camp next to Beirut, he was at pains to define himself as an "Arab Israeli." This week, he was not happy to discuss Arab-Jewish relations in the Galilee, stating: "I am a Palestinian. What is good for my people, is also good for me. What will happen? God knows."

Mahmud, 42, is not a pious Muslim. However, he has never skipped going to mosque on Friday. Everyone goes. Remaining at home is inconceivable. The mosques do not function exclusively as houses of prayer. They serve primarily as centers for the spread of religious-national awareness. A hidden struggle is being waged between fundamentalists and moderates for control of them. Anyone attempting to predict which side will prevail should know that many of these mosques are seeking preachers ordained in Muslim colleges in Judaea and Samaria.

In the past, Mahmud Saha complained of discrimination regarding the distribution of allocations, crowding in the schools, and declining sanitation conditions in the village. Evidence for all of his claims could be found in the field. Everything is reversed now, and Mahmud's top priority is his national identity. His behavior lends practical validity to remarks which we heard from Professor Arnon Sofer:

"Whoever deludes himself into believing that the problem of the Galilee Arabs can still be solved with the help of money and sewer systems is simply disconnected from reality. As long as there is no Arab pilot in the IDF—and we know that this will never happen—they will continue to cry out about discrimination. Signs of growing nationalism attest to a process which we cannot stop. However, the struggle for the future character of the Galilee will not be decided by stone-throwers, the spread of hostile slogans, or even by the organization of underground cells. It will be decided primarily in the beds of the obstetrics hospitals. It suffices to indicate that, in the village of Sakhnin alone, enough people to settle five more lookouts are born each year."

Professor Sofer, the dean of the School of Social Sciences at Haifa University and a geographer who has devoted 25 years to researching the demographic problem in northern Israel, paints a gloomy picture: We have lost the Jewish majority in the Galilee. Last year, 3,000 Jews left the Galilee. The percentage of the population which is Jewish has declined from 52 percent at the start of the 1980s to 49 percent in 1989. However, even these figures, taken from the Statistical Yearbook, do not entirely convey the seriousness of the problem. Professor Sofer calculated and found that, in the central and western Galilee, which is mentioned in the partition plan, the ratio is 74 to 26 in favor of the Arabs. The lower Galilee alone, through which all the strategic highways connecting the coastal plain to the Golan Heights pass, is only 20 percent Jewish compared to 80 percent Arab. "The numbers speak for themselves."

What frightens Arnon Sofer is the historical lesson. In one of his lessons, he described to his students a region suffering from chronic discrimination, where the rate of natural increase is very high, where a solution is sought in the possibility of expulsion, and where the central government acts against the national aspirations of the residents, primarily with the aid of its security forces. Where is this, he asked his students. They hastened to reply: The Galilee. However, the correct answer was the Kosovo region in Yugoslavia, which made the headlines after being the site of bloody incidents amid the Albanian population's demand for extensive national rights.

"If it is correct to assume that national, religious desires have become the main motivating factor in the behavior of the Galilee Arabs, the heart of the state cannot remain indifferent to what is happening on its periphery," maintains Professor Sofer. As a geographer, he cannot ignore historical experience, starting with the separatist movements in Quebec, Canada, and Northern Ireland,



and ending with what is happening now in the Baltic republics in the Soviet Union. "It has been proven that wherever a minority existing on the periphery becomes a majority in its area of settlement, the desire to separate from the central entity also develops," claims Sofer. If a Palestinian state is indeed established, he concludes, pressures will develop to annex it to the Galilee pursuant to UN Resolution 181 (the partition plan). Even if a Palestinian state is not established in the foreseeable future, demands will inevitably be heard in the Galilee for a degree of autonomy which is liable to damage the character and nature of the state of Israel.

Sofer: "Of course, this problem has significant aspects greatly transcending the Galilee question. One must not ignore the demographic revolution occurring throughout the land of Israel. I perceive a serious danger stemming from our settlement of Judaea and Samaria. It suffices to mention that there are only about 150,000 Jews facing millions of Palestinians along our eastern border, from the Golan Heights to Eilat. In time, the Arabs will push us into the sea without an intifadah or war. They will do so with their birthrate, a smile, coffee, and baklava."

Arnon Sofer maintains that the thesis regarding the coexistence of two peoples—one living among the other without friction caused by nationalism—has nowhere stood the test of reality. Nor is there any chance of the situation being any different in Israel. "If I believed that this would be possible, and that it would be possible to rely on the Galilee Arabs' loyalty to the state, population percentages would not be important. Nor would I be sounding the alarm about the dangers hidden in the demographic imbalance. However, since this is not the case, the diversion of maximum efforts to populate the territories is liable to make trouble for the Zionist enterprise inside the green line."

Professor Arnon airs his warning in every possible forum, especially in conversations with decisionmakers in the military and security field. However, his warnings, he claims, are falling on deaf ears. According to him, about 150,000 Jews can be settled in the Galilee without confiscating a single dunam of Arab land. In the past, the government proved its ability to regulate the dispersal of population according to its political objectives. However, it no longer has the power to do so, and the result is liable to create a disaster.

The state lacks what the Galilee Arabs have: A feeling of power. This feeling stems largely from the number of people active in the field. Enclaves in which the Arabs feel as if they are in their own independent state have developed under our nose. Clusters of Arab cities have been created around Shafr'am and Nazareth, as well as in extensive areas adjacent to Sakhnin, 'Arrabah, and Dir Hanna. This concentration inspires them with confidence and helps to develop nationalistic sentiments. Jews usually refrain from entering these areas unless they are obliged. Though they feel physically secure, they

experience a certain discomfort when standing face to face with a population, a part of which no longer conceals its hatred.

These enclaves are clearly tending to spread. The housing squeeze in Arab cities and villages is causing migration to nearby Jewish settlements. Slowly but surely, the non-Jewish population in Upper Nazareth has been growing. The number of Arab families living in Karmi'el, currently about 120, has doubled in the past 5 years. If this process, also seen in Tiberius, Migdal, and Qiryat Shmoneh, continues in the coming decade, the "creeping annexation" of Jewish municipalities and cities to the "state of the Galilee" is probable.

Studies indicating a close link between quantity and quality, show, among other things, the significance of the feeling of power deriving from ratios of demographic forces. We have no cause for concern about identity as a national problem where the Arab population is an insignificant minority, inasmuch as in small, remote Arab settlements, relatively more people voted for the Zionist parties. However, in larger Arab population concentrations, such as in the Sakhnin-'Arrabah-Dir Hanna bloc, anti-Zionist parties won 96 percent of the votes.

Anyone still harboring the illusion that the gaps can be bridged with kindness and persuasion, perhaps by a change in the authorities' treatment of Israeli Arabs, should consider the following remark made by Dr Majd al-Hamis, an academician who largely represents the mood among the Arab population in Israel: "Even if you grant us full equality regarding civil rights, we will not be satisfied. 'The Hope' [Israel's national anthem] will never be a common national anthem, and the blue and white flag will never be our flag."

### Israeli Economy Reportedly on Way Up

44230018C Tel Aviv YEDI'OT AHARONOT  
in Hebrew 20 Sep 89 p 22

[Article by Gad Le'or]

[Text] "The Israeli Economy has already passed the peak of a recession in terms of its economic activity, and it is apparently at the peak of an employment slump at present. This appraisal was made yesterday by the new economic advisor of the Finance Ministry, Dov Mishor, who was loaned several months ago by the Bank of Israel to the Finance Ministry.

According to him, from now on, only improvements and positive developments can be expected in all areas of economic activity, production, export, and employment.

Mishor maintains that the latest economic data already indicate the start of the expected turnaround:

- Exports during June-August rose by 17 percent compared to the first quarter of the year.
- The level of industrial production declined in the second quarter of the year by only one-third of a



percent, compared to a decline of 4 percent in the first quarter of the year.

- The output per work hour in industry rose in the first half of 1989 by a substantial 4.5 percent, compared to the first half of 1988.
- Private consumption did not change in all of the recent months from its low level, but it is estimated that a change will soon occur in this area.
- The level of economic activity in the third quarter, which has yet to end, apparently indicates a certain increase in economic activity, after a decline in the first and second quarter of 1989.

Dov Mishor indicated a lack of improvement in only one area, inflation; even during the slowdown period, inflation did not decline.

According to him, changes in the Minimum Wage Law and the Capital Investments Encouragement Law are currently being considered in the Finance Ministry.

### Efforts Under Way To Settle Lower Galilee

44230032G Tel Aviv DAVAR in Hebrew 6 Oct 89 p 17

[Article by Yitzhaq Meridor: "The Dream of a Rejuvenated Galilee"]

[Text] Alongside older valley settlements, the last of which were established in 1949, a new settlement upsurge began in the northern part of 'Emeq Yizre'el some 10 years ago. In this area, known in history and geography as Lower Galilee, seven new settlements were established in the past decade. Four of them are communal settlements (Timrat and Giv'at Ayyala with about 1,000 members each; Hosha'ya with 400 members currently; Ady, with 90 families counting approximately 450 members; and 'Alon HaGalil, which began as a moshav and turned into a communal settlement with 45 families and 250 members) and two special kibbutzim, Hardof and Hantun.

Mula Kohen, a member of the Alonim kibbutz and chairman of the 'Emeq Yizre'el Regional Council (formerly a close associate of the late Yig'al Alon and currently close to Yitzhaq Rabin), and Hagay Benyamini, one of the long-time residents of Nahalal and the "father" of the new settlement movement in the valley and in Lower Galilee, view the settlements as proof positive of the success of and a source of inspiration for a more ambitious project entitled Qedem HaGalil. "We told the Housing Ministry," Benyamini said, "and before that the Jewish Agency, something like this: 10 years ago there was the 'Great Settlement' project, which extended to the Tzipori River area. In the past 4 to 5 years we brought into the area 2,700 Jews in seven new settlements. There is a massive Arab population here, and therefore, in view of our success, let's try to push forward in a great upsurge, and let's plan the area as such.

"We must emphasize that until this year it was the job of the Jewish Agency to 'initiate' regional projects, after

which the Housing Ministry would take over. In contrast to the past, the ministry decided to 'buy the idea.' In cooperation with Architect Yanon, who had planned a few localities in the United States, where he studied architecture and urban planning—he also planned Timrat and Giv'at Ayyala, so he is familiar with the area—we suggested to the Housing Ministry to establish a project management with a view to bypassing the usual bureaucracy, representing the Regional 'Emeq Yizre'el Council, the Housing Ministry, the Regional Misgav Council, and some of the localities further south. The purpose is to permit comprehensive regional planning that will deal with the issues of roads, water, sewage, etc. and provide long-term solutions, thus making possible to settle another 3,000 families here, as well as 10,000, 15,000, and perhaps even 20,000 people within the next 5 to 10 years."

Mula Kohen and Hagay Benyamini view young families living in the towns around Haifa as prime candidates for settling the area. They can continue to work in industry in Haifa harbor. According to them, the project management will need to handle the blueprints directly, to make marketing studies, to attract private financing and contractors, and to interest thousands of Jews in the project. "You're asking why here rather than in the more remote areas of the Galilee?" says Benyamini. "Our assumption is that, just as Giv'at Ayyala came to be because Timrat was already there, so will the rest of the settlement continue. People will come to Hosha'ya, will then 'creep' into the Misgav area, and perhaps later all the way to Carmi'el. The idea is that people will come gradually, step after step, and will settle from here to the Galilee. It became clear that you cannot bring people in large numbers straight to the Ma'alot or Tefen areas. We conducted polls to find out who are the potential settlers, what their interests are, and what may be a source of attraction to them. It turned out that we didn't need to appeal to their patriotism; what they want to hear is that they can have a good and comfortable life here. I myself don't know what exactly may induce people to come here, but we do our investigations, while at the same time continuing our current work. The project management is by now going into greater details: in Hosha'ya, for example, we are beginning work on another 50 housing units. So we have to negotiate with contractors, construction firms, investors, everything.

"Because of the crisis, many old moshavs broke up and people are seeking solutions to ensure continued municipal services; so they are looking into ways of absorbing settlers other than farmers. In this connection, we had inquiries from Moshav Tzipori and Bet Lehem Hagelilit. We decided to adopt them and we are preparing preliminary plans for them, as well as explaining to them the difficulties and problems involved in settling nonfarmers in farming localities. There are opposed interests involved—who will ensure watch duty, municipal expenditures, expenditures useful only to the farmers' association, taxes for the farmers and taxes for the others, and so forth.

"Not everything is clear as yet, but we think it's a good idea to expand existing settlements to at least 300, 400, or 500 members. That is the primary goal; an additional goal, however, no less important, is to ensure the continuity of Jewish settlement. The dream for the future is to create a bridge between Timrat and Hosha'ya in the form of a string of settlements whose primary strategic purpose is to transect the bloc of Arab settlements comprising Yafi'a, Nazareth, Rina, and Kfar Kana and the Bedouin settlements in our area, while simultaneously building new public centers and access roads. One of the things we plan—and which we will begin already in the coming year—is to build a road from Giv'at Ayyala to Kefar Hasidim through the mountains and hills, so as to shorten the way to Haifa by 10 km. This road will lead from Tzomet Nahalal to Kefar Hasidim, through the 'Ka'viya' villages and part of the Tzipori river. Both the Jewish settlements and the existing Arab settlements will be served by this road. The planning is coming to a conclusion; the small, limited staff handling it is made up of representatives of four bodies: the Housing Ministry, 'Emeq Yizre'el Regional Council in cooperation with the Segev Bloc, the administration, and the regional board of the Ministry of the Interior.

"It is not our intention to put together another 10-cm thick book of projects. We want an operative plan designed to promote settlement, and for that purpose we are gradually working out our own final concept."

What is the basis for the assumption that thousands of families will want to leave the towns around Haifa and begin a new life in the Lower Galilee? The fact is, 60 percent of those who settled in Giv'at Ayyala came from there (employees of Refa'el, Albit, Alcint, and other plants); 20 percent came from other parts of the country, and only 20 percent from the area, such as physicians from 'Afula and other towns.

"The truth is," Benyamini added with a smile, "that in the Haifa area there is already concern about the fact that thousands of 'good families' will leave, but that is a real process, which is becoming accepted in development towns, too, like Nazrath Illit and Migdal Ha'Emeq."

"We are interested in one thing," stressed Mula Kohen, "namely to attract Jews to settle in the Galilee, as many Jews as possible. At the time, 10, 20, or 30 families built and settled the Mitzpe localities throughout Giv'at Ra'anana; it may have served the purpose of securing the land, but, in my opinion, there was no justification for the huge amounts of money invested in paving roads and bringing in electricity and telephone lines, because settlements cannot survive with just 30 families. Communal settlements, like Giv'at Ayyala, for example, which is now celebrating its first anniversary, are a joy to behold: they have clinics, supermarkets, and schools. Giv'at Ayyala now has 220 families with 600 children. They're young people, another world, with a different living standard. On the average, each family there has more than three children, not to mention Hosha'ya, which is a religious settlement. So if we now have five

communal settlements, to which another religious settlement will be added, Hosha'ya B, as well as settlements along the Tzipori river, I believe that we can easily have 10,000 to 15,000 Jews within 5 years. That will change the entire demographic situation in the area."

### Acco Reportedly Losing Jewish Population

44230032B Tel Aviv

HADASHOT in Hebrew 4 Oct 89 p 23

[Interview with Dr Avy Ellenzweig, public and health management expert and member of a committee that examined ways of preserving the demographic balance in Acco, by Rami Rotholtz; date and place not given]

[Text] Just before the holidays, Michael Dekel went to Prime Minister Yizhaq Shamir and handed him the report of a committee that he had chaired and that had examined the reasons why Jews are leaving Acco and ways of preserving a demographic balance in that city. In view of the fact that at the time Dekel had recommended transfer as an ethical solution to the Palestinian problem, it seemed somewhat strange to put him in charge of a committee examining such a sensitive issue.

In addition to Dekel, the committee also included Yehoshu'a Tzafrir, Arab affairs adviser, economist Abraham Snapiri, and Dr Avy Ellenzweig, whose specialty is public and health management.

[HADASHOT] What has been happening in Acco to make a committee necessary?

[Ellenzweig] "The Jewish population is leaving the city while Arabs are pouring into the city, thus disrupting the demographic balance."

[HADASHOT] This sounds very serious.

[Ellenzweig] "The fact is that Acco Mayor De Castro appealed to the prime minister, who put Michael Dekel in charge of it."

[HADASHOT] What was the selection criteria for the committee members?

[Ellenzweig] "Professional qualifications. Yehoshu'a Tzafrir is an Arab affairs adviser, Avraham Snapiri is an economist, and my field is sociology."

[HADASHOT] Why exactly did they come to you?

[Ellenzweig] "They came to me because for a long time I have been in charge of a social policy team at the prime minister's office. The team examines various related issues and I suppose that was the reason for coming to me."

[HADASHOT] If you will pardon the blunt question, are you politically active?

[Ellenzweig] "I am a Herut member, and the question is indeed blunt, because I was appointed on the committee on the basis of my professional qualifications."

[HADASHOT] Were the other committee members Herut members?

[Ellenzweig] "I didn't check them out, but I don't think that they were selected for their political beliefs. Anyway, I don't know anything about their politics."

[HADASHOT] With whom did the committee meet?

[Ellenzweig] "With city hall representatives, elected officials from all parties—coalition and opposition—and public activists."

[HADASHOT] Including Arabs?

[Ellenzweig] "Of course."

[HADASHOT] Do they see a problem here?

[Ellenzweig] "When we come to talk of solutions I will explain to you that in fact, we came to examine a certain problem, but we a priori aimed at solving the Arab problem, too, otherwise nothing can be done."

[HADASHOT] What is the problem that the Arabs perceive, in view of the fact that Acco is increasingly becoming an Arab city?

[Ellenzweig] "I don't think that Acco will become an Arab city. In terms of figures, clearly no more than one-third of the current population is Arab. My personal estimate is that Arabs don't make up more than 25 percent."

[HADASHOT] Who were the Arabs you met?

[Ellenzweig] "The deputy mayor, who is Arab, Arab members of the city council, and all sorts of other people who hold official positions."

[HADASHOT] How did they define the problem?

[Ellenzweig] "They welcomed the fact that the administration is paying attention to the issue and is intervening. In their view, if budgets are allocated to Acco and the city is given preferential economic status, the Arab population will profit, too."

[HADASHOT] Do they think that if the number of Jews drops they will receive a smaller budget?

[Ellenzweig] "The matter was not presented in those terms, so that I cannot give you a straight answer. The way the issue was presented, if there is a governmental policy to encourage greater Jewish settlement in Acco, then government budgets will be increased."

[HADASHOT] It was said that Shamir praised Dekel for the committee's work. With what was the prime minister so pleased?

[Ellenzweig] "I don't know with what Shamir was pleased, because he didn't tell me. I can only tell you that the committee examined the issue very thoroughly, met with dozens of people, presented findings, and recommended solutions."

[HADASHOT] Did you find the reasons why Jews are leaving?

[Ellenzweig] "The reasons are mostly economics and employment. There is also the problem of Acco's negative self-image. People who now live in Acco are not happy about it."

[HADASHOT] That's nothing new.

[Ellenzweig] "I don't know about that, because I don't know what the situation was in the past. I can only say what we found, which is that self-image is the primary problem driving people out. The question is how to improve the city's self-image and how to create the image of a lively, mixed city, rather than an Arab city."

[HADASHOT] I take it that one theater festival a year is not enough.

[Ellenzweig] "Certainly not."

[HADASHOT] Does the intifadah have an impact?

[Ellenzweig] "Look here, Acco is, after all, a quiet city. Because of friction between the two populations and because of the intifadah, Jews began to feel uneasy living in a city with so many Arabs. The Jewish population also has tacit fears of possible intifadah reactions in the city, although these fears are totally without foundation."

[HADASHOT] What were your findings?

[Ellenzweig] "The findings were straightforward. A situation can be created in Acco in which people will feel more comfortable."

[HADASHOT] How?

[Ellenzweig] "In general terms, we think that first and foremost, the city image can be improved through high quality community housing and services. The tourist infrastructure must also be improved, because it has been neglected. The Tourism Ministry currently sees Acco as a tourist target. A solution must also be found for the Arab population, who live in terrible conditions within the city walls."

[HADASHOT] Where do you suggest they be moved?

[Ellenzweig] "We must build an Arab neighborhood."

[HADASHOT] Where?

[Ellenzweig] "Inside Acco."

[HADASHOT] We're not talking transfer, are we?

[Ellenzweig] "Of course not. We're not even talking about moving Arabs to the Mahar village, which is some 3 km from Acco."

[HADASHOT] I am asking you about transfer because the committee chairman, Michael Dekel, at the time strongly recommended that as a solution. I thought it

appropriate to make sure that the committee did not make any recommendations along that line.

[Ellenzweig] "I can set your mind at ease, the word transfer was not mentioned at the committee. What was mentioned, is building an Arab neighborhood in the city of Acco. However, no one will be forced to move there."

[HADASHOT] You are talking about a separate Arab neighborhood. I understand there's no point in talking about a mixed neighborhood.

[Ellenzweig] "Mixed housing doesn't work. We listened to what people in Acco had to say. The Jews were more vocal in this respect, but all of them, across the political spectrum, said they preferred to live separately."

### **Inexpensive Housing Offered Israelis in Territories**

44230032C Tel Aviv DAVAR in Hebrew 5 Oct 89 p 7

[Article by David Moshiov: "Only in the Territories"]

[Text] Since the 1977 reform, one of Likud's goals has been to increase the number of settlements, many of them strictly short-lived, in the territories. One of the means of encouraging Jewish migration to the territories is to offer extensive advantages to anyone who purchases an apartment in a settlement in Judaea and Samaria.

Within the framework of its endeavors to encourage Jews to move to the territories, the Ministry of Housing and Construction recently began a campaign to populate settlements in western Samaria. As part of this campaign, the ministry grants increased aid to apartment buyers in western Samaria, in addition to the preferential treatment normally given to residents of Judaea, Samaria, and development towns.

In an elegant pamphlet especially published for the campaign, Minister David Levy wrote: "You can live in the center of the country, close to everything, in a charming settlement that offers organized and rich community life, in your own beautiful house or apartment that is inexpensive and can be purchased with increased assistance."

The settlements included in the campaign are Qedumim, Bet Aryeh, Tzofim, Ari'el, 'Alfey Menashe, Ginot Shomron, Rosh Ha'Ayin, and Kokhav Ya'ir. According to figures cited by Housing Ministry representatives at Bet HaRofo in Tel Aviv, where the campaign is run, there is a sizable difference between the financial aid given under the campaign to apartment buyers in the territories and that offered for settlements within the Green Line, such as Rosh Ha'Ayin:

In Rosh Ha'Ayin the minimum price for an apartment is \$130,000 with a mortgage of only 37,700 shekels. The mortgage is for 20 years at an interest rate of 6.5 percent, connected to the index. People who want to buy in the territories under normal conditions (not during the campaign month) receive a 74,000-shekel mortgage for 20

years at a 5 percent index-linked interest rate. During the campaign, buyers get additional incentives in the form of another 20,000-shekel loan, which means that the mortgage is increased to 94,000 shekels.

In Ari'el, apartments with two to seven rooms and a living area of 180 square meters are offered at \$63,000 to \$90,000. In Ginot Shomron, single homes with three rooms and an 80-square-meter area cost \$50,000; the same house costs \$72,000 in Tzofim. With a \$94,000 mortgage, buyers don't need any down payment, or only 10,000 shekels in the case of Tzofim, to acquire a home.

In Alfey Menashe five-room houses cost \$110,000. The mortgage given there is 77,700 shekels. In Qedumim houses with three to seven rooms are offered at a price of \$52,000 to \$86,000 accordingly and with a 64,000-shekel mortgage.

Many years ago, under the Alignment, the government used to help young couples and others in need of housing by ensuring sufficient apartments at reasonable prices. When the Likud came to power, it finished off a reserve of more than 5,000 apartments, which it sold off at wonderfully low prices to anyone who wanted to triple his money. Whoever had the cash to buy made nice profits out of those apartments. In recent years there has been a considerable drop in housing construction; there is, in fact, no reserve left, as a result of which prices are going sky-high.

Those responsible for housing invest millions of dollars annually in the territories, where apartments subsidized by the tax payers go for peanuts to those who want to live in the territories. Within the Green Line, on the other hand, the ministry is not building almost any housing, and there are no incentives or easy terms. On the contrary, buyers encounter all sorts of difficulties and convenient loans are limited to a very small percentage of the apartment price. In view of those conditions, small wonder that many young people, who don't happen to have wealthy parents, look abroad for greener grass and leave Israel.

It is high time that the government resume building subsidized housing within the Green Line and grant buyers the same terms as in Judaea and Samaria, so that young couples and others can afford to buy apartments.

We must refrain from creating two categories of citizens in Israel: category A of people who want to live in the territories and receive a slew of incentives from the government, and category B who want to live within the Green Line and are "punished" for it by the Ministry of Housing and Construction.

### **First Settlers Reserve Company Deployed**

44000115 Tel Aviv HADASHOT  
in Hebrew 5 Dec 89 p 6

[Text] The first reserve company of settlers belonging to the territorial defense organization (Hagmar) was

recently deployed in the vicinity of the Trans-Samaria highway and other nearby roads. The settlers, for the moment, are not allowed to patrol Arab settlements, but rather are intended to maintain a presence at the outposts.

### VOA Transmitters May Hinder Air Force Training

[Text] 44000097 [Editorial Report] Tel Aviv BAMA-HANE in Hebrew 15 November 1989 publishes an article by Sharon Sade on page 12 devoted to obstacles Voice of America [VOA] transmitters pose to air force training. The article notes the heavy setback the air force suffered with the withdrawal from Sinai and relinquishment of large training areas. Now, it is being forced to relinquish a portion of its training area in the Negev, near the VOA broadcast station. Ten years ago the air force established a special commission to help the air force adapt to a reduced training area. Following the return of Sinai to Egypt training areas were cut by no less than 75 percent. In return, the commission decided that aircraft could fly over the Mediterranean and along the border and make bombing runs in two training ranges in the Negev and 'Arava, one of the ranges being near VOA. The article then comments on dangers posed by VOA transmitters to aircraft electrical systems. Owing to the power of the transmitter, low-flying aircraft such as the F-16 would be subject to electronic jamming of its guidance systems since the broadcast signals would extend to the northern segment of the bombing zone the air force uses for low altitude training. The head of training, Colonel G., says: "One needs to understand that given the restrictions on low-level flights over civilian areas, given its impact on the population's quality-of-life, only two ranges in the Negev are left." These ranges are the only ones where young pilots can learn how to fly and make bombing runs. The head of training then offers a solution: "Our solution is to turn the southern sector of the training area into a live fire range. This sector is defined as a live fire zone on all tourist maps, though they haven't properly exploited it."

### Tzomet Emphasizes Water Control Issue

44000098 Tel Aviv MA'ARIV in Hebrew 18 Oct 89 p 6

[Text] [Editorial Report] The Israeli political party Tzomet took out a full-page advertisement in the 18 October 1989 edition of the Tel Aviv daily MA'ARIV dealing with the water issue. What follows are excerpts from that advertisement:

If you think that you do not need to be leftist to be balanced and enlightened; if you identify with the contents of this advertisement; if you think the nationalist camp has been correct so far, but stammering and impotent against the sharp tongues of the left; then help us stop this erosion. Circulating information costs money and we must pay to publish our positions. We need your support to continue the struggle—contributions to continue with similar advertisements.

### Tzomet presents: The Water Problem—Dry Facts.

Withdrawal from Judaea and Samaria means—it leaves the water you and your children drink in the hands of this man [picture of Yasir 'Arafat]. There are those who will call this advertisement cheap demagoguery, intimidation, wild incitement by the extremist right. But names do not change geological facts...and the facts are the country's water reservoirs. Sixty percent of the country's water comes from rock formations, deep underground (aquifers). The water in these reservoirs (Yarqon-Taninim aquifer and coastal aquifer) are influenced, directly and indirectly, in terms of quantity, quality, and extent of purity, by what happens in Judaea and Samaria. Uncontrolled water pumping and/or unplanned introduction of sewage will cause depletion, salination, and contamination of underground waters. The surrender by the authorities of the lower western parts of Judaea and Samaria means the fate of the national water administration will be in the hands of the ruling element (Arab) in evacuated regions. It is important to remember that an existent danger can be created, not necessarily as a result of evil intentions by an Arab regime in Judaea and Samaria. It can be stirred up to the same drastic degree by administrative inability of local authorities, the absence of working knowledge, or just lack of information or concern. In any case, without any relation to motives or reasons, the State of Israel is liable to suffer irreversible harm to its most important and vital reservoir—a situation where, in a quite tangible fashion, its continued existence may be questionable. So the slogans concerning "the rights of another people" pale in comparison and are increasingly less relevant. Whoever thinks this position is a propaganda "tactic" of the ultra-orthodox of Greater Israel, should examine the article by Re'uven Padahatzhur in HA'ARETZ, 25 April 1989. Padahatzhur writes: "He who controls water resources on the West Bank can dessicate, in a simple sense, the coastal strip of Israel. Control of the two principle aquifers on the West Bank, new deep drilling operations, and afterwards, intensive pumping in the western part of Samaria and in the Janin and Tubas areas, are likely to leave the Jewish farmers of Sharon without water for irrigation and the fields of the Yizre'el Valley arid."

Demagoguery or not, the implication of withdrawal is that that man is the one who will control the quantity and quality of water flowing into your home. Remember this each time you to the water tap!!!

Tzomet: To Be a Zionist, Without Apology

### Further Drop Reported in Farming Revenues

44230043F Tel Aviv DAVAR in Hebrew 17 Oct 89 p 4

[Text] "Further deterioration was recorded in the farming in 1989. The value of the agricultural product dropped this year by about 7 percent, after having dropped by about 13 percent in 1988," the secretary general of the Agricultural Center, Simha Asaf, said at a press conference yesterday in Tel Aviv.

He added that "Continued drop in the real value of the agricultural product in 1989 was the combined result of a quantitative drop in agricultural productivity, which was about 2 percent lower." Thus, according to Asaf, this alarming process has been going on for 10 years, "and the government failed to take serious steps to halt it and to allow Israeli farmers an honorable living." He stressed that as a result of the crisis in the agricultural sector, its debt now totals some 10 billion shekels.

Hayim Molkho, chairman of the Agricultural Center Farming Department, pointed out that "the level of governmental aid to Israeli agriculture is among the lowest in the Western world." He added that lack of support such as is customary in the Western world, "deprives Israeli farmers of conditions to compete in international markets."

Agricultural Center leaders accused the Finance Ministry of ignoring the needs of the agricultural sector, and the Agriculture Ministry of lack of planning "that affects the entire sector."

They attacked the policy of supporting large farms "at the expense of all the other forms of settlement." In response to the question whether agricultural leaders were not satisfied with the activities of enterprises such as Pirhey Biqel or with Ari'el Sharon's farm, they said: "One farm is getting all the water, governmental aid, and land designed for 60 to 70 families." According to them, the establishment of such farms causes many people to abandon farming, creates a tendency toward concentration that affects the entire agricultural sector, and impairs general productivity.

Ilan Shapira' noted that "It is still too early to estimate the damage inflicted by the intifadah on the agricultural sector, but, following the boycott of Israeli produce, a large beef surplus, for example, has been accumulating." He added that this summer the fruit market was overflooded because Arab markets remained closed to it.

Asaf stated that "Until now, Arab agriculture in the territories was complementary to Israel's, but in the past 2 years they became completely self-reliant. Whereas before they used to purchase cows, cattle feed, and about 1 million chicks every month, that has now stopped."

## LEBANON

### Fadlallah Interviewed on Ta'if, Hostages

90OL0108A Tehran KAYHAN AL-'ARABI  
in Arabic 4 Nov 89 pp 22, 6

[Interview with Shaykh Muhammad Husayn Fadlallah by Samir Arshadi in Tehran: "Lebanon's Problem Is That a Minority Enjoys Privileges"; date not given]

[Text] [KAYHAN AL-'ARABI] After 23 days of intensive meeting, the Ta'if conference produced a national charter agreement with papal and American blessings. What is your evaluation of the charter?

[Fadlallah] We consider the Ta'if conference to be an offshoot of the Casablanca summit that was held at America's signal to arrange part of the Arab situation so that American policy might maintain the strength of its positions. We have learned how the Casablanca summit was able to unite the Arabs on the resolution for Egypt's return to the Arab League, so that Egypt would have an effective role in Arab policy, especially in the move for an American-Israeli solution to the Palestinian question. We have also seen how an Arab consensus took place there to legitimize the political line of the PLO. The conference was intended to dominate the Lebanese situation in a way that would be able to bring pressure to bear now on Syria and now on the Lebanese domestic situation. Some kind of balance would thus be achieved that would move toward cooling the security aspect of the Lebanese situation and attempting to give a temporary political cover. In this way, the Lebanese situation that had heated up excessively and turned into a human crisis in the mind of international public opinion would not harm American plots. America, that is, is moving to exert pressure on the level of bilateral relations between America and Syria or certain other Arab countries—moving to contain the Middle East crisis within the Palestinian circle, where it wants the solution to be an American solution for the benefit of Israel, rather than for the benefit of the Arabs.

We believe that the Ta'if conference offered no solution to the Lebanese problem. It merely provided a move that has been able to deal with the Lebanese crisis only by changing some of the scenery in Lebanon's political picture.

As Islamists, we believe the Muslims did not receive their rights, even on a simple level such as the Lebanese National Pact. The Lebanese problem is that a minority rules the majority. It is a minority that enjoys great privileges on the political, economic, educational, security, military, and other levels.

As for America's recent way of managing the Lebanese civil war—stirring up the fighting and provoking it through Michel 'Awn and then turning it off—we think they were working to cut people off and exhaust all their resources, so that people would abandon their causes and demand security and the continuation of life at any cost. That is the way imperialism works—putting pressure on nations until they abandon their causes.

At a time when we feel that the Lebanese are besieged in their security, we feel that we must renew the political pressures with all our strength, so as to change the Lebanese system completely for the benefit of all the oppressed, especially the Muslims, who experience oppression to a greater degree.

[KAYHAN AL-'ARABI] Do you think this Arab document will succeed in getting off the ground?

[Fadlallah] We think there is an international insistence represented in the American position. The Soviet position sympathizes with it, the European position follows

it, and the Arab position moves in its circle. We think there are large opportunities for the document to succeed on the temporary level. But based on our previous experiences, we continue to think that what is visible on the outside of the picture is not the picture in all its elements; so we must raise reservations or questions. Certain gaps may exist that could overturn the situation, because America usually works along two lines, not along a single line.

[KAYHAN AL-'ARABI] King Fahd claimed in a speech of his that the Lebanese people had gone into the streets to express their joy over the document. What is your comment?

[Fadlallah] The Lebanese may be satisfied with ordinary security after the terrible destruction that cornered everyone and turned into an nightmare for all sides. However, when we examine the matter politically, all the Lebanese do not appear to be satisfied with this affair. The Christians feel that taking some privileges away from them could lead them to lose all privileges. The Muslims feel that they have not received their rights. They feel that this agreement might be a means to put their rights in abeyance and give them a show that would lull them into forgetting their demands.

Thus we think that the agreement has not presented a solution or satisfied the ambitions of either the Muslims or the Christians. I do not agree with him that the Lebanese are satisfied. The Lebanese think there must be a radical political solution—one that represents a shock for the Lebanese reality, just as the civil war represented a shock to the Lebanese reality. In that way the Lebanese will avoid entering a war as destructive as this war has been for a decade or two.

[KAYHAN AL-'ARABI] From Lebanon we move to Palestine. You have heard of the Zionist entity's intentions to partition al-Aqsa Mosque. This comes within the scope of an international project to destroy the Islamic awakening—e.g., combatting the veil in France and Turkey, and the "Satanic Verses" conspiracy.

[Fadlallah] Naturally, when the Islamic revolution started, it opened the eyes of international arrogance to the elements of strength that Islam possesses through committed groups that believe that their religious commitment deepens their political commitment. Therefore, international arrogance began to link religious commitments such as the veil, abstention from forbidden foods and clothing, and certain religious customs. It began to feel that they do not represent mere cases of individual commitment, but an intellectual error with political, social, and security implications. Thus it felt that it had to persecute these manifestations by various means. We see that many countries in which Muslims live forbid veiling in secondary schools, despite the fact that the freedom they make a keynote of their government requires granting every person his freedom because it is one of the most basic expressions of freedom.

Thus it is when you look at France, which is deemed to be a secular state (it talks about how it launched the rights of man during the French revolution): in some places it has begun to oppose veiling, even on the level of small, individual cases. This is because of fear that the veil and similar things could turn into a general path for Muslims, who are estimated to number 4 million in France. If commitment became a general phenomenon, Muslims would come to form a serious problem for the French regime and French racism.

We feel that international arrogance has begun to besiege Muslims even in matters pertaining to worship and individual commitments because it feels that any position of strength for Islam in the life of the individual or society will gain for Islam possibilities of strength in other areas.

We also feel this when we confront all the means that are being used on the Arab scene. The Arab regimes have thereby begun to admit that the danger lies in the mosques and in those who frequent the mosques—believing young men and believing young women.

As for the question of "Israel" and its plan to build Solomon's temple in al-Aqsa Mosque and on its site, this represents an old plan whereby "Israel" has been working to Judaize all the sacred religious sites, so that only Jewish holy places will remain. We know that Freemasonry worked on the basis of building Solomon's temple in al-Aqsa Mosque.

This represents an Israeli plan to absorb all of Palestine for the benefit of the Jews, so that Palestine becomes a base for the Jewish religion, just as it has become a base for Jewish nationalism.

We feel that if Muslims do not move effectively, they will ultimately lose al-Aqsa Mosque. When "Israel" induces those it calls "extremists" to perform acts such as these, it is testing the Islamic reaction: Will Muslims move effectively and powerfully, threatening some of Israel's political and economic positions and interests, or will they be content merely to make noise?

We fear that there will be no Islamic reaction commensurate with the magnitude of the issue you are indicating—the violation of sacred places of deep significance to the personality of the [Islamic] nation.

We fear this, and we fear that the reactionary Arab regimes will move in their own way to alleviate the anguish of Muslims generally, so that it does not embarrass the Egyptian-Israeli-Palestinian move, behind which stands the Arab move to work out a plan to solve the Palestinian problem in the American way.

We fear this; if, God forbid, it happens, it means that "Israel" will spread far in this direction.

[KAYHAN AL-'ARABI] From time to time, the West raises the crisis of the Western hostages in Beirut to serve its interests. Do you expect a relaxation of this crisis soon?



[Fadlallah] We believe that this question has been put onto the political and media front burner by powerful Western forces. The Western and American goal is to benefit from the hostage issue in the plot to repress every freedom movement wherever such a movement opposes America's policy of arrogance. Thus, America puts pressure on these movements in the name of combatting terrorism and other words.

We think that the complications of this question and its connection with several political lines in the region and the world have made the issue a complex one that requires many objective circumstances in order for a reasonable solution to be reached.

[KAYHAN AL-'ARABI] More exactly, can we be optimistic about a solution to the problem in the near future?

[Fadlallah] When you talk about such complex problems, you cannot talk in the language of optimism or pessimism. You have to use the realistic vocabulary that exists on the scene.

We do not find that there is any realistic vocabulary on the scene that opens a broad horizon for a solution.

[KAYHAN AL-'ARABI] How do you evaluate the future of the Tehran agreement to unite the Islamic-nationalistic Lebanese and Palestinian groups?

[Fadlallah] We believe it represents a step forward on two lines:

- First, the Islamic republic is opening up to the overall political scene of many beliefs and ideologies—a scene which may be able to agree on common denominators against imperialism, Zionism, and certain reactionary regimes in the region.
- Second, there are the positive results could be realized if the parties adhere to the main points of this agreement earnestly and effectively.

However, we fear that certain political changes on the Arab and Lebanese scene will set out to freeze this agreement, at least in some of the alignments that are considered part of it.

We are used to the fact that Arab political changes create much disagreement of positions in this area. Therefore, while we hold that this agreement represents a good project that might achieve great results, we have reservations about whether it will continue along the same line and with the same strength.

[KAYHAN AL-'ARABI] Is there a way to prevent that?

[Fadlallah] When we consider that the parties that participated in the agreement are connected with more than one Arab or international political alignment; when we consider that the policies of these political alignments differ from time to time in their openness, unfriendliness, or reservations toward the Islamic republic, and that previous experience has given us many cases of instability in political positions, we feel that there are

many difficulties that make the issue exactly like the issue of the Arab alignments, which change and alter from time to time. In the face of these reservations, we do not wish to awaken despair over reaching a solution. We believe that the completion of this experiment by the Islamic republic is to be considered something beneficial; for even if the Islamic republic cannot arrive at a great positive result, it can preserve the positive factors.

[KAYHAN AL-'ARABI] On the basis of your meeting with the Islamic leadership, how do you evaluate the position of the new Islamic government toward international liberation movements?

[Fadlallah] We believe that the Islamic line that is open to Islamic liberation movements is still the line that is in the mind of the Islamic leadership, especially Ayatollah Khamene'i, who has experience with the ideology of Islamic political movements. He has been able to deepen his experience and has begun to experience broad responsibility in his high positions.

We believe that methods may differ when it comes to supporting and dealing with these movements. We know that methods may differ at different stages. One must look at objective circumstances as regards the priorities of the scene.

We are convinced that Iran is still open to all Islam throughout the world, but is moving according to the extent of its political, economic, and security abilities. "God charges no soul save to its capacity." [Koran 2:286]

[KAYHAN AL-'ARABI] What is your evaluation of leader Khamene'i's proposal—may God preserve him—of establishing an institution to bring about a rapprochement between the legal schools of Islam?

[Fadlallah] We believe that the repetition of this successful experiment which was able to provide great opportunities for success and create good ground for Islamic unity will be influential. However, there are obstacles to the success of this step. Those who are working against unity will act in more than one way to abort this project. But it is an experiment that deserves to live and that deserves the effort being devoted to it.

## OMAN

### Birmingham Mission Seeks Joint Ventures

44000071A *Muscat TIMES OF OMAN*  
in English 16 Nov 89 p 21

[Article by Meena Ganjvr]

[Text] A 15-member trade mission from Birmingham Chamber of Industry and Commerce was in Muscat this week to introduce new products and to explore possibilities of joint ventures besides expanding their present market share.



The mission, here on the first leg of their Gulf tour which includes UAE [United Arab Emirates] and Bahrain, consisted of representatives from the consumer durable industry and light industry.

The leader, Mr Frederick Wunderley said it was the first time that a mission had been arranged where Oman had been the first call. "We regard it as a major start". "There has been a noticeable increase in the inquiries received which has motivated the businessmen to come on a trade mission to convert the inquiries into business."

Birmingham Chamber of Industry and Commerce serves the interests of an area which is said to produce over one-third of Britain's manufactures and exports. The Chamber played a key role in staging the Oman with Britain exhibition held this year as a part of the Friendship Festival.

Giving details of the delegation, the leader said: "In this mission there are some new companies entering the market for the first time, some looking for agents while others are examining the possibility of joint ventures".

Among the new products being offered in the market are anticorrosive structures mainly used in water and sewage treatment. The company, Racoline Ltd., has also developed for the first time totally fire proof reinforced glass. "We can do now all kinds of ladders, walkways, hand-railings and general structure which is anti-corrosive and fire resistant," the company representative said.

Another new product being introduced by Thew Construction Ltd., is three phase metering module which works at seabed level in the offshore industry and splits up gas, oil and water at the same time, saving the running of more than one pipe.

Mr Wunderley said there was another company bringing to Oman diabetic and health foods.

Birmingham, traditionally known as "the city of 1,000 trades," is the second largest city in Britain.

The mission leader said there were companies interested in joint ventures in small and medium scale industry and one particular company, Warwick-Finspa was looking for an Omani partner. The company representative, Mr David Bilboe, said his company which deals in cable ladders to specifiers, was looking for a joint venture partner who could assemble and fabricate in steel.

Mr Wunderley said the joint ventures would also include training of manpower. "We regard training as of prime importance. It is important they know how things are done in the U.K."

### Port Development Study Conducted by Japanese Coordinated

44000071E Muscat TIMES OF OMAN  
in English 9 Nov 89 p 4

[Text] A team of JICA, a Japanese agency for government-based technical cooperation, has arrived in the Sultanate to conduct a port development study.

The visit follows an agreement last July between the Ministry of Communications of Oman and JICA for intermediate and long-term planning of port development for northern Oman.

The JICA team will consult officials of the Development Council Technical Secretariat and the Ministry of Communications and conduct field surveys, before submitting a study report.

The team is headed by Hideaki Sagara and consists of seven members specializing in coastal development, port planning, stevedoring system, financial analysis operation, traffic forecast economic analysis and facilities.

### Gold, Copper Studies Favorable

44000071D Muscat TIMES OF OMAN  
in English 16 Nov 89 pp 1, 2

[Article by Oswald Pereira]

[Excerpts] Pre-feasibility studies at two mineral prospects in Yanqul have indicated the viability of mining half a tonne of gold a year from the fields which can also be another major source of copper for the Oman Mining Company [OMC] at Suhar.

Muhammad Bin-H. Qasim al-Yafa'ey, Director-General of Minerals at the Ministry of Petroleum and Minerals, told the "TIMES" in an exclusive interview that the studies which took two years to complete were conducted at Hayl Al-Safil and Rakkah in Yanqul. The prospects are 150 kms from the OMC.

The prospects could yield additional copper sufficient to extend the life of the OMC by another seven years, besides the extraction of gold. Gold is extracted as a by-product in copper mines. "The most interesting aspect of the two prospects is that the gold content is very high," Mr Qasim said.

OMC, the only copper refining facility in Oman, depends on mines in Suhar and surrounding areas. The known copper reserves would have lasted for only seven years.

The OMC currently produces 16,000 tonnes of refined copper annually. "This production level can now be maintained for seven more years, the pre-feasibility studies indicate," the Director-General said.

Mr Qasim said that the Ministry of Petroleum and Minerals on Sunday signed an agreement with Lal Buksh Corporation for further drilling in the area to confirm

the findings of the pre-feasibility studies. The agreement signalled the start of the feasibility studies, he said.

The studies were made by Japan International Cooperation Agency, in collaboration with the Ministry, under a technical cooperation programme between the Omani and Japanese Governments.

#### Picture

Mr Qasim said that feasibility studies which would give a more accurate picture of the prospects, as well as the specific designs and costs of equipment such as crushers and concentrators to be used, would take one year to complete.

The development of the prospects so that the actual production could begin would take two years, he added.

The prospects could also help in the development of downstream industries.

The Government is launching a detailed exploration programme in Al Kamil Al Wafi near Sur, following the discovery of large coal deposits in the area.

If found feasible, the possibility of using coal to produce electricity will be considered.

#### Chrome Ore Accord Signed

44000071C Muscat *TIMES OF OMAN*  
in English 16 Nov 89 p 2

[Text] Minister of Petroleum and Minerals, Said Bin-Ahmad al-Shanfari, signed on Tuesday an agreement with Lal Buksh Corporation on mass excavation of chrome ore in Wadi Rajmi area.

The RO 95,880 agreement aims at determining the reserves of chrome in Farfar, Batinah and Shaykh of Al-Zahirah and assessing their potentials for exploitation in line with the Ministry's policy of determining the possibility of chrome exploitation in Wadi Rajmi.

The Ministry of Petroleum and Minerals hopes that this exploration process help determine the future of a chrome project to be established in Suhar region.

#### Locations

A Ministry source told Oman News Agency that there are about 600 locations in Sumayl area and about 200 locations in Rajmi, with reserves in both areas amounting to 1,600,000 tons of chrome ore.

The source said that the Government's policy for diversification of the source of income and not depending on petroleum as the main source, provided for encouraging the exploitation of other ores includes chrome and the participation of the private sector in mining.

#### Wadi Ghul Dam Inaugurated

44000071B Muscat *TIMES OF OMAN*  
in English 16 Nov 89 p 13

[Text] The RO 2.2 million Wadi Ghul re-charge dam was on Saturday formally inaugurated in Al Hamra'wilayat at the Interior Region for replenishing aquifers to promote agriculture.

Shaykh Muhammad Bin-'Abdallah Bin-Zahir al-Hana'i, Minister of Agriculture and Fisheries, presided over the ceremony.

Director-General of Irrigation Affairs at the Ministry of Agriculture and Fisheries, 'Abdallah Bin-Hamdan al Wahibi, said that the project will realize basic objectives for al Hamra'wilayat and the area nearby. Mr Wahibi said that feasibility studies for the project were started in 1984, the implementation began on August 17, 1988 and the project was completed in a record-time of nine months.

The project included a main dam across the wadi which is 7.5 meters high from the level of its base with a water gauge to assess the level of water in the adjacent lake, he added.

He pointed out that the dam was designed in accordance with the maximum security standards and has a storage capacity of 45,000 cubic meters.

The project is expected to save 2,200,000 cubic meters of water annually.

## SUDAN

#### Editorial on Sudan Calls Council of Churches 'Extremist'

900A0133B Cairo *AKHIR SA'AH*  
in Arabic 15 Nov 89 p 56

[Article by Hamid Sulayman: "Garang and the Dimensions of the Southern Conspiracy"]

[Excerpts] What is the truth about the Sudan's increasingly unclear situation, especially after the occupation of the town of Kurmuk?

The real situation was revealed this week by the "Sudanese dialogue" delegation that visited Cairo this week under the leadership of Staff Major General Faysal Abu-Salih and with Lieutenant General Joseph Lagu as a member.

This delegation disclosed many facts with a frankness and clarity at times verging on cruelty.

All members of the delegation agreed that every Sudanese, whether in the North or in the South, now wants an end to the war in the South above all else, particularly now that it has killed 259,000 Sudanese and caused 3 million southerners to flee north.

What is causing this war to continue, when halting it is a northern and southern desire? The reality is that one person in the Sudan is now rejecting an end to this war, just as all his arguments caused the failure of the dialogue conference. This person is Colonel John Garang. [passage omitted]

The problem, according to Joseph Lagu, former head of the Anyanya movement, does not lie with Garang, but with the countries that surround the south of the Sudan. These countries will stop supporting Garang. They supported him in the past fearing that the Arab Islamic identity would advance into the south of the Sudan, then to their borders, and then into their countries. But the dialogue document promises to respect the identity of the religions, cultures, and customs prevalent in the south of the Sudan. It even promises to develop, strengthen, and respect them; and this is all that the surrounding countries want.

But the question goes beyond ending the fears of these surrounding countries.

The Sudan, as a country whose territory is linked to Egypt, is a "targeted" country, just as Egypt is targeted. Several international powers, especially America and Israel, are interested in not seeing Egypt carry out its leadership role in the Arab world and in not seeing the Sudan carry out its African-Arab role in the middle of the African continent. They find the continued presence of John Garang a convenient button that they can push to occupy the two countries with internal security problems that divert their attention from their internal development role and foreign cultural role.

The role of certain foreign extremist organizations remains to be mentioned. Chief among these is the World Council of Churches, which has been fooling around in the south of the Sudan since the first separatist incidents. Anyone who does not believe it should refer to the text of the Addis Ababa agreement between Numayri and Joseph Lagu. He will find that the representative of the World Council of Churches was one of those who signed the agreement as an open force involved in this bloody conflict.

No reconciliation between North and South will satisfy this organization. It supplies Garang's movement with weapons and misleads him with false promises about imposing his will and rule on the entire Sudan—i.e., imposing its will and the culmination of its old evangelistic colonial mission by effacing the Sudan's Arab identity and destroying the faith of the majority, as happened in the state of the south of the Sudan.

These are the dimensions of the conspiracy without retouching, decoration, or masks, according to Major General Faysal [Abu-Salih], head of the Sudanese dialogue delegation, whom we met in Cairo this week. Some people at the conference frankly told him that the reason this conspiracy was continuing was that Sudanese governments had no clear strategy to oppose this conspiracy in the South. The truth is that this may apply to the past.

However, the current government of national salvation, based on its understanding of the details of this conspiracy aimed at the north and the south of the Sudan and even at Garang himself, is dealing with the problem through a strategy that can be summarized in two points:

1. It is trying to meet with John Garang in whatever place he sets—Khartoum, Cairo, the jungle, or any place in the world—to convince him of the feasibility of the results of the dialogue conference that express the will of the Sudanese people.
2. It will fight to the last Sudanese to make this will a reality.

## SYRIA

### MiG-23 Incident Analyzed

90OL0088A London AL-DUSTUR in Arabic  
Oct 89 pp 16-18

[Article: "Critical Moment Between Damascus and Tel Aviv; Secret of Syrian MiG-23"]

[Text] Is it by pure chance that a Syrian MiG-23 landed in the occupied northern Palestine on a day falling halfway between two important Syrian anniversaries? On 6 October, the Syrians commemorated the Ramadan 1973 war. The Syrian air force day falls on the 16th of the same month. Meanwhile, the MiG-23 absconded on the 11th of the same month. This day falls exactly halfway between the two occasions. Is this a coincidence?

The landing of the Syrian MiG-23 in the occupied territories has aroused an extensive controversy among the regional and international political circles. During the 72 hours after the incident, various monitoring stations were transmitting reports gradually, despite the big contradiction between the Syrian and Israeli statements on the one hand and the information disseminated by the Israeli sources themselves on the other.

In light of this development, observers have raised numerous significant questions by virtue of the issue's serious political, military, and security dimensions. Some of the questions are:

Did or did not the Israeli radar network detect the aircraft? If it did, then what prevented its interception?

How did the pilot manage to evade the Syrian observation border [points] all along the cease-fire line with Israel while flying at low altitude? If it is true that the aircraft developed technical difficulty, as the Syrian command says, then how was it permitted to head for the occupied territories when convenient airports and airfields are available on the Syrian side and make it possible for the aircraft to land there?

It is well known that the Syrian air force does not fly any training sorties on the border lines with Israel for fear that they may provoke the Israelis. So how did this incident happen?

Why did the Israelis promptly overlook the fact that the aircraft flew for 7 minutes within their air space and remained on the ground for 20 minutes before the Israeli security forces and army got to it?

According to military sources, a minute's flight separates the Syrian positions and the Israeli airfield in which the aircraft landed. Were the Syrians unable to destroy the aircraft while it sat on the ground in Israeli territory, especially since it remained unattended for 20 minutes and since it was possible to destroy it with a shell from within the Syrian territories, that is if the Syrians really wanted to prevent the fall of this important weapon in enemy hands?

What is the secret behind Syrian President Hafiz al-Asad's unusual presence at a religious ceremony at the al-Ummawi Mosque to commemorate the venerable prophet's birthday at the same time when the Syrian aircraft's "defection" was announced?

#### Is It the First Incident?

Even if Syrian Pilot Bassam al-'Adl's defection is the first incident of its kind involving a Syrian pilot in the history of the Arab-Zionist conflict, it is not the first time Israel has acquired modern Soviet equipment via Syria. During the invasion of Lebanon in 1982, the Israeli army was able to seize modern Soviet weapons, including T-72 tanks and anti-aircraft missiles, which the Syrian army had abandoned during its hasty retreat in the face of the attacking forces. In 1982, the Syrians gave the Israelis a great opportunity to test the capability of their air force and to find out the real qualities of the MiG-23 when the U.S.-manufactured Israeli F-15 and F-16 aircraft were able to down nearly 50 of the MiG-23 interceptor aircraft which are designated for export. Numerous questions were raised at the time on the Syrian military command's refusal to involve the MiG-23 BN assault aircraft, which possess high maneuverability and assault capabilities, and on whether the aircraft involved in the confrontation had been properly equipped or not?

Whatever the case, the Syrian MiG-23 aircraft which landed in the occupied territories belongs to an improved generation of the Soviet-made family of MiG aircraft. According to Soviet military experts, 12 advanced versions of MiG-23 fighters have been produced since the first aircraft of the kind was displayed openly in Moscow in 1967.

The MiG-23 aircraft were introduced into the service in Syria in the wake of the Ramadan 1973 war when they were considered a major development intended to eliminate the disparity in the balance of forces between the Syrian and Israeli air forces. But these aircraft were not used for a period of 9 years following their acquisition. When the Syrians used them in 1982, Israel had acquired more sophisticated aircraft, thus negating any special advantage possessed by the MiGs. The Soviets were annoyed by the harm that the Syrian command inflicted on the international reputation of Soviet weapons despite their high capabilities vis-a-vis U.S. weapons. After lengthy Soviet-Syrian talks,

the Soviet leadership supplied Syria with a consignment of the improved MiG-23 (BIS) aircraft fitted with a sophisticated network of radar warning systems and stronger engines than earlier versions, giving them greater maneuverability and higher speed in dogfights. Syria was the first country in the world to acquire this sophisticated weapon which had been previously confined to the Soviet air force exclusively. Warsaw Pact countries and other Arab countries acquired this weapon at a later time. It is well known that the Americans have been able to get certain conventional MiG aircraft versions from countries which had acquired them from the Soviets. In accordance with the strategic U.S.-Israeli alliance, the Israelis were able to familiarize themselves with the technology of these aircraft, and their pilots tested them thoroughly. But the MiG-23(BIS) has been a joint U.S.-Israeli target since it came into existence by virtue of its specifications and its ability to compete with sophisticated U.S. fighters. The Soviets have always been careful to prevent the West from acquiring the secrets of this aircraft, especially since it will open the door for the Americans and the West to reveal the advantages of some of the most sophisticated Soviet fighters, such as the MiG-29 and the Sukhoi-27. It seems Syria is the gap through which NATO and its ally, Israel, have infiltrated Soviet military technology. The Israelis were able to get the first aircraft of this kind on the 11th of this month when Syrian Pilot Bassam al-'Adl landed the aircraft at (Megiddo), an Israeli civilian airfield used for crop-dusting aircraft and owned by (Shimafir), a chemicals company.

As for the scenario of the incident, the Israeli and Syrian sources tell it differently. Because independent sources have not been able to draw an accurate picture of the incident, the reports received on the incident have continued to be confusing for days. It seems obvious that the Israelis are intentionally disseminating conflicting reports in order to confuse the public opinion and the circles concerned. Meanwhile, Syria maintained silence for 24 hours before a Syrian source told REUTER that a Syrian aircraft had landed in northern Israel after developing mechanical difficulty. Damascus then backed down and announced that the pilot had been recruited by the Israeli intelligence (Mosad) to smuggle the aircraft into Israel. However, political and military observers have drawn several circles with the purpose of covering all the possibilities that led to staging this operation that poses a danger to the Syrian security and the pan-Arab security and that negatively affects the policy of the Warsaw Alliance which relies directly on Soviet military technology.

#### Incident Scenario and Possibilities

According to the available information, the Syrian pilot took off with his MiG-23, numbered 2786, from a military airfield south of Damascus, accompanied by a similar aircraft. He flew over Syrian territory for 15 minutes and then headed west toward the occupied territories, flying at a speed of 1,200 km an hour and at an altitude of 30-50 meters. He flew in Israeli air space for 7 minutes before landing at Megiddo civilian airfield. Israeli military patrols arrived 20 minutes later, and the

pilot requested political asylum immediately, saying that he had fled his country because of the persecution to which he had been subjected by Syrian intelligence who arrested and tortured him, breaking his nose and a number of his ribs. He revealed that he had been thinking of defection for several years but that he only started planning for it 3 months earlier and found the right opportunity for it on that day.

The Israeli authorities arranged for a press conference for the Syrian pilot at an Israeli military base on the day following his arrival. At the conference, he reiterated the statements he had made earlier, adding that the radar warning instruments in his aircraft signaled that the aircraft was under surveillance. This aroused new suspicions over the secret motives which stopped Israel from intercepting the plane.

At the conference, the Israelis prohibited photographers and reporters from recording the pilot's voice or taking his picture. This signifies more than one thing. It clearly shows that the Israeli authorities are afraid to show the pilot's picture, fearing that this would make it easier to expose him to any liquidation attempt in a country where security troubles are intensifying.

In Damascus, a military spokesman has stated: "After investigation, it has become obvious that traitor Bassam al-'Adl, who defected with his MiG-23 on 11 October 1989 while flying in a training sortie alongside the cease-fire line, misled the frontline observation points, implying with his movements that his aircraft had developed a technical difficulty. He then changed his course, headed for the occupied territories and landed at Megiddo airfield, selling himself and his weapon to the enemy, at the end of an act of espionage led by the Israeli intelligence who had managed to recruit this agent and to use him to smuggle an aircraft belonging to our air force and deliver it to the enemy."

Military observers and analysts see an obvious deficiency in the Syrian statement which cannot offer a clear explanation of this serious incident. Rather, they see in the statement obvious confusion aimed at creating illogical justifications. How could a military aircraft carry out a training exercise in an especially sensitive area parallel to the cease-fire line, keeping in mind that the Syrian air force does not engage in such sorties and that its training activities are confined to the north and to the Syrian heartland?

Analysts and observers have offered the following explanations and possibilities on the basis of the available information and indications:

A large number of these analysts assert that the operation may have been orchestrated by the Syrian and Israeli sides. They do not exclude the possibility that the operation was staged in return for a large sum of money. They tie this possibility to the collapsing Syrian economy on the one hand and the course of the incident on the other, including the Syrian president's appearance at a public function at the same moment when the pilot

defected (1110 local time), the fact that the aircraft flew in prohibited air space, that the pilot did not use his radio to contact his command, that the command did not try throughout 15 minutes to contact him or to look for him, and that the Israelis made no effort whatsoever to intercept the aircraft. When the Israeli media and political parties demanded an investigation of the incident, Yitzhak Shamir urged the Israelis not to turn the incident into a controversial and worrisome issue whereas Yitzhak Rabin, the enemy war minister, reassured them that his command has its special calculations. Meanwhile, an Israeli source that is well-informed in security affairs has not excluded the possibility that the Israeli command had been aware of the pilot's arrival. Some western sources believe that there has been collusion between the Israeli side and the Syrian pilot.

The possibility that the pilot did actually manage to infiltrate the Israeli defenses can only be explained by the laxity that has developed among the Israelis now that they have been reassured of calm on the Syrian front which has not stirred for more than 16 years.

Other observers believe that it seems that the Israeli Mosad were able to infiltrate the Syrian military entity, thus facilitating the acquisition of a fighter plane that currently forms the Syrian air force's backbone. Similarly, these observers believe that the oppression and the persecution to which the Syrian citizen is subjected and the execution and liquidations to which a large number of Syrian army officers, especially air force officers, have been subjected are what facilitated this infiltration and created the right background for it.

Syrian opposition sources have assured AL-DUSTUR that "what Pilot Bassam al-'Adl did is high treason by all criteria." They added: "We have long warned of this consequence to which the Syrian regime is pushing the citizens. Through the policies of oppression and persecution and through the psychological and moral violation of the Syrian citizen, the regime seeks to lead all the people to the shameful state reached by the pilot who has preferred to live under the wing of the Jews."

The said sources stressed that the "Syrian people's genuine character and vigilance will be much stronger than whatever the regime can do and imagine."

In view of the sensitive position a pilot holds, the authorities often give him broad privileges, insure his and his family's security and tranquillity, protect him from any persecution or pressure, and create boundless trust between him and his command. In this regard, one can note the distinguished performance of the Iraqi air force pilots throughout the 8 years of the Iraq-Iran war. Whereas not a single case of defection was recorded among Iraqi pilots, numerous Iranian pilots defected to Iraq to flee the oppression to which their military command subjected them. Meanwhile, the Iraqi command sought to secure all the facilities and means of recreation and comfort for the Iraqi pilot while in the service and it

granted him medals, special privileges, and presidential awards for the duties he performs.

When we realize that Syria's and Iraq's air forces have the same Soviet-made weapons then the success of this weapons' performance in Iraq and its failure in Syria is directly tied to the performance of the human element and to the command which manages this element effectively. This performance has been precise, well-planned and well-informed on the part of the Iraqi command whereas it has been offhanded and arbitrary on the part of the Syrian command.

Regardless of the circumstances involved in the incident, Israel is now fully examining the plane's complex equipment and instruments. The enemy prime minister has viewed the aircraft as a "major prize" won by his country, considering that the Israelis have not previously had the opportunity to examine the plane's electronic equipment, supplied to Syria by the Soviets. Yitzhak Rabin has characterized the plane as an "information treasure."

As soon as announcement of the plane's landing was made, a Zionist parliamentary bloc in the Israeli Knesset demanded that a deal be made to supply the United States with information on the Syrian aircraft's equipment in exchange for the release of Jonathan Pollard, an Israeli spy, and his wife.

On the Syrian side where the authorities have refrained from making any comment on the incident, numerous rumors and questions are raised among the popular and army circles and these questions and rumors await satisfactory answers in the future.

#### **[Box on Page 17] Distinguishing Features of MiG-23-BIS**

This aircraft is a single-seater with supersonic speed. It can carry 8 tons of air-to-air missiles. Its folding wings and powerful engines give it additional maneuverability and ability to climb during dogfights. Its conventional armament consists of two 23-mm guns on each side. It is used as an interceptor and assault plane, and it is fitted with advanced electronic warning systems.

#### **Who Is He**

The absconding Syrian pilot is Squadron Leader Bassam al-'Adl. He was born in 1956, is a bachelor and has served in the Syrian air force for 10 years. He has recorded 1,000 flight hours.

### **PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN**

#### **Deputy Minister of Agriculture Dead in Accident**

44000121 Aden Domestic Service  
in Arabic 1500 GMT 22 Nov 89

[Summary] Dr Yasin Sa'id Nu'man, member of the Political Bureau and chairman of the Council of Ministers, has sent a cable of condolences to the family of the

late Salih Hasan Salih, deputy minister of agriculture and agrarian reform, who was killed in an accident this morning.

#### **PDRY To Establish Ties With Burkina Faso**

44000119 Aden Domestic Service  
in Arabic 2030 GMT 14 Nov 89

[Excerpts] The Council of Ministers held its regular meeting this morning under the chairmanship of Brother Brigadier Salih Munassar al-Siyayli, member of the Political Bureau, deputy prime minister and minister of interior. It discussed a number of issues and reports in its agenda, including a memorandum about the establishment of housing cooperatives to enable citizens to contribute in dealing with the problem of the housing shortage, particularly in the capital. [passage omitted]

At its meeting, the Council of Ministers also approved the establishment of diplomatic relations between our country and the Republic of Burkina Faso. It entrusted the director general of the secretariat of the Council of Ministers with submitting the resolution to the Presidium of the Supreme People's Council for ratification. It also entrusted the foreign minister with notifying the Republic of Burkina Faso for final ratification of the establishment of diplomatic relations with us.

The council of ministers also discussed a number of other issues about organization, selection and nomination for higher studies: a draft implementation program for the development and improvement of cotton: the main financial, accounting and storage contraventions in 1987 and 1988: and the level of implementation of the internal financial control statute and the university belt project. A report on the activities of the executive bureaus of the local people's councils in governorates was also discussed. The council adopted the necessary measures on them.

#### **Aden Gets Japanese Aid for Telephone Services**

44000120 Aden Domestic Service  
in Arabic 1500 GMT 29 Nov 89

[Text] A memorandum of understanding was signed at noon today [29 November] at the Ministry of Communications between our country and the Government of Japan.

Under this agreement, our country will be granted a soft loan worth \$50 million for the purpose of expanding and modernizing the capital's telephone network with several modern exchanges so their capacity will reach about 50,000 telephone lines instead of the present 19,600 lines.

The network will increase quality of performance and improve services to the state of the art. With the implementation of this project, our country will for the first time have modern technology in the communications field known as digital technology.

Brother Salih 'Abdallah Muthanna, minister of communications, signed the memorandum of understanding on behalf of the Yemeni side, while the charge d'affaires of the Japanese Embassy in Aden signed on behalf of the Japanese Government. The signing was attended by Brother Dr Ja'far Hamid, deputy minister of planning, and a number of officials in the Ministry of Communications and the Communications Corporation.

#### **DFLP Representative Replaced**

*44000122 Aden Domestic Service  
in Arabic 1500 GMT 14 Nov 89*

[Text] Brother Muhammad Sa'id 'Abdallah Muhsin, member of the Political Bureau and secretary of the Central Committee, met in his office at noon today with Brother Tariq Abu-Ziyad, on the occasion of the end of his tour of duty as a representative of the Democratic

Front for the Liberation of Palestine [DFLP] in Aden, and Brother Jawdat Yusuf, on the occasion of his assumption of the functions of his job as the Front representative in Aden.

During the meeting, a discussion took place on the conditions in the Palestinian arena, and specifically the uprising of the Palestinian Arab people in the occupied territories, as well as on Arab and international developments. Bilateral relations between the Yemeni and Palestinian revolutions and ways of developing them were also discussed.

At the meeting, Brother Mushin expressed his appreciation of the efforts exerted by Brother Abu-Ziyad to develop joint bilateral relations between Yemeni Socialist Party and the DFLP. He wished him success in implementing his new tasks.

## BANGLADESH

### Paper Details Troubles in Bangladesh Communist Party

46001082 Dhaka THE NEW NATION  
in English 6 Sep 89 pp 1, 8

[Article by Shehab Ahmed: "Resignation of Tu Boss Rocks CPB"]

[Text] The Communist Party of Bangladesh (CPB), the mainstay of the pro-Soviet leftists, have been shaken by the resignation of the party's powerful trade union boss Manzurul Ahsan Khan as the schism between two groups surfaced this week.

It all began with the winds of openness and economic restructuring 'glasnost' and 'perestroika,' sweeping the Soviet Union since President Gorbachev took over reins in the Kremlin in late 1985.

The comrades in Dhaka watched agog the bold steps of Gorbachev, dismantling the remains of Brezhnev era, in his efforts to reshape the overburdened Soviet society and economy, bearing the Stalinist legacy.

The hardliners in the party, who grew up worshipping Stalin in their youths, refused to believe and accept the breeze of glasnost blowing across the Red Square and rocking the traditional values of communists all over the world dipped [as published] in the belief of monolithic party and the gravity centre of Moscow.

A set of articles in the CPB organ, the weekly Ekota, and those written by its theoreticians, appearing in a Bengali daily on its editorial pages, and on letters column throughout 1987, 1988 and this year, reflected the ripples the Moscow wave had reverberated among the faithful in Dhaka.

Amidst the debate on justification of the Gorbachev reforms and toeing it loyally as they had always done faithfully, whenever changes swept the inner sanctum of Kremlin, the death in Moscow of party's sheet anchor, Mohammad Farhad in late 1987, widened the gap between the faithfuls.

Mohammad Farhad General secretary who succeeded an ageing Moni Singh, the legendary communist now bed ridden had been doing his job of harnessing the youthful followers, who had swelled party's rank in the wake of drum beating of Soviet support during Bangladesh's war of independence, and piped dreams of socialism finally arriving in Bangladesh, following declaration of socialism as one of the state principles.

Mohammad Farhad had also been maintaining the links between the elders and the youths and the necessary equilibrium between the two generations. But seeds of discord over the attempts to run things on the shoulder of the then ruling party, the Awami League, the enthusiasm to toe everything the ruling party did, soon triggered rebellion within the rank and file.

On January 1, 1974, two supporters of the party's student wing, Matiul and Kader, fell down by police bullets while they were leading anti-U.S. demonstrators before the United States Information Service centre in Dhaka.

The death had angered the youths in disbelief. They reacted so much so that the then Vice President of Dhaka University Central Students Union [DUSCU], Mujahidul Islam Selim tore the documents that conferred life membership of DUSCU to the then Prime Minister Sheikh Mujibur Rahman.

Anti-Awami League feelings ran high when Awami League supporters ransacked the NAP [National Awami Party] (Muzaffar) office on Jan 4, 1974 after throwing rocks at Prof Muzaffar Ahmed at a rally at Adamjee Nagar, injuring the professor badly. Several party leaders including Motia Chowdhury (now an AL leader), were also beaten.

But the party elders reined in the youths and forced them to swallow the humiliation, which eventually saw reunification between the CPB, its auxiliary NAP and the Awami League, following Sheikh Mujibur Rahman's urgings to 'change your sign board and join Awami League'.

Sign boards, however, were changed. On January 15, 1975, the parliament passed fourth amendment to the Constitution in 13 minutes. The formation of Bangladesh Krishak Sramik Awami League (Baksal embracing the CPB, NAP and deserters from different political parties, saw introduction of one-party system of government, which, incidentally also included a pro-Soviet politician NAP leader Syed Altaf Hossain who was given the rank of a state minister. Another NAP leader, Aaur Rahman of Cajshahi, was given the governorship of the district. The rebellion had disappeared and the party then steered by Moni Singh along with old Stalinists, like Khoka Roy, Barin Dutta alias Abdus Salam etc., was too happy to get inside the power caucus, according to their policy of 'infiltrating the bourgeois' organisations and 'gobbling up eventually from within'. The policy of classic front worked well until the fall of the Baksal on August 15, 1975.

The communists never gave up. They cheered the policy of Ziaur Rahmad-led government of BNP [Bangladesh Nationalist Party], loudly supporting his different policies, in a bid to put on work the old thesis. However, it failed to work. Eventually the party saw conflicts arising out between the old comrades and the new generation led by Mohammad Farhad, who ultimately brushed aside Barin Dutta in his bid as General Secretary of the party.

But the conflicts between the two generations had remained and the issues like renewing ties with old chummies in Awami League, already beefed up by party loyalists, swelling its ranks in 1979, which some insiders says was done in accordance with party's approval to keep the Awami League guidance system zeroing towards left.



Others were allowed to keep themselves in Baksal, an outfit led by Awami League's ousted General Secretary Abdur Razzak. Similarly, NAP with several party leaders was also allowed to function even though they parted their company forming two factions. Ultimately the three NAP factions were leashed together under the party's command.

The departure of Brezhnev, the accession of Gorbachev, the death of Mohammad Farhad in Moscow in October, 1987, had released simmering feud between the two groups in the form of a power struggle.

Saifuddin Ahmed Manik, a trade union leader of the party. Jockeyed with party seniors and bagged the General Secretary's job. But he soon fell out with Manzurul Ahsan Khan, the man who led the transport workers, the only workers front where party has always maintained command.

The thorny issues of tailing AL policies, the setback of one-point movement led by the Eight-Party and the Seven-Party Alliance in tango with the Five-Party Alliance in early 1988, the reflections of comrades on building a leftist alliance and above all the snow-balling effect of glasnost cracked the party's monolithic politics.

The solidly walled compound of the party headquarter in Purana Paltan in city had often heard rumblings within the ranks about the glasnost toeing the AL politics, the left unity etc., ultimately the fissure burst Manzrul Ahsan Khan resigned on Saturday.

He had also resigned in 1986. But it was withdrawn. The party, meanwhile, said in a press release on Sunday that his resignation had not been accepted. It will be discussed later on and actions will be taken accordingly.

But Mr Khan had already started singing his hymns. He had given newspaper interviews outlining his points, apparently to muster the dissenters before the October 8 meeting of the central committee, which will decide his case of resignation.

The points he made are: the party's leadership had failed to take programme steps in building an effective left-front as per resolution of the last party congress earlier this year.

The CPB had failed to uphold its independence in moulding Eight-Party Alliance decision making, leaving it on the side line as a reserve player of AL. He favours a left front emerging combining the resources of the varieties of left of different hue and color. Independence of the party from toeing Moscow's current policy. The BNP should be brought into the fold of a campaign against the government.

What is his future? How much of the party rank and file he can mobilise? [sentence as published] The future depends on how the party stalwarts play their cards.

The recent experience of washing of dirty linens of NAP publicly before quarreling leaders separated noisily last

week is enough to make them cautious says a CPB watcher while commenting on the latest developments inside the party.

## INDIA

### More Bofors Case Documentation, Reaction Reported

#### Audit Bureau Report Analyzed

46001059 Madras THE HINDU in English  
9 Oct 89 pp 1, 10

[Article by Chitra Subramaniam and N. Ram]

[Text] The secret part of the Report by the Swedish National Audit Bureau—withheld in 1987 from the publicly released version on account of bank secrecy requirements and published here in facsimile—reveals that Bofors officially admitted to the Swedish National Bank in December 1986 that "the principal beneficiary" behind Svenska Incorporated, one of the three recipient front companies paid secretly in Switzerland, was "an Indian who has been an agent for Bofors for 10-15 years." This is a clear reference to Mr Win Chadha, an Indian national and resident who has represented Bofors in India from the Seventies.

The confidential part of the official Report, dated June 1, 1987, also reveals that the privileged material the Audit Bureau studied and the documented and oral information it had access to "confirm that commission payments to business or accounts in Switzerland were made to those who took care of the Bofors FH 77 deal."

The full or unexpurgated Report of the National Audit Bureau is part of a mass of new documentation on various key aspects of the Bofors scandal—running into more than 100 pages—obtained by THE HINDU from authoritative sources in Sweden. A facsimile sample of the Report in Swedish is published on this page, along with the English translation of the secret paragraphs.

This is evidence of a qualitatively new, unimpeachable kind that neither Bofors nor the Government of Sweden nor the Government of India is going to be in a position to challenge. It comes on top of the 100 or so items of documentation published by THE HINDU in three installments in April, June and November 1988. This proves, beyond the shadow of a doubt, that Bofors lied outrageously when it claimed—in oral statements as well as in writing—that "no Indians" had been paid in connection with the winning of the SEK 8400 million howitzer contract with India on March 24, 1986, and that the "winding up" or "termination" costs incurred by it in 1986 had nothing to do either with Indians or with the winning of the contract with the Government of India.

The direct admission was recorded in a session with the Swedish National Bank (the Riksbank, the Swedish equivalent of the Reserve Bank of India) by Mr Per Ove

Morberg, a senior Bofors executive who became acting president of Bofors after the exit of Mr Martin Ardbo in the wake of various exposures. The Morberg admission of December 18, 1986 is recorded in the minutes of the Swedish National Bank and is quoted in the secret part of the Audit Bureau's Report.

"The current president of A.B. Bofors, Per Ove Morberg, has, in his talks with the Swedish National Bank stated that the principal beneficiary in Svenska Incorporated is "an Indian who has been an agent for Bofors for 10-15 years. Whether there were other partners, Morberg did not know. If the Swedish National Bank requires it, exact particulars about any others could be produced, according to M." (Minutes from visit to the National Bank 1986-12-18).

The date of the Morberg confession is significant. It came after virtually all the percentage payments totalling approximately SEK 320 millions (Rs. 64 crores) had been made into secret Swiss bank accounts. Neither Bofors nor the recipients of the payoffs could have possibly imagined at this point that a mass of internal documents on the "commission" payoffs, and the enabling arrangements for them, would be leaked to the media. Interestingly, the Morberg admission pre-dated the surfacing of the Bofors-India scandal by four months. In other words, the Morberg admission belongs to the post-contract, post-payment but pre-scandal period; no "winding up" story features in it for the simple reason that, at this stage, no unwelcome public disclosures had to be neutralized.

In one stroke, this evidence demolishes the conclusion recorded by the Indian Joint Parliamentary Committee [JPC] in its report of April 1988 that "the question of payments to any Indian or Indian Company, whether resident in India or not does not arise..." It makes nonsense of the work of the "Investigative Agencies" as reported to the JPC and to Parliament—to wit, especially the endeavors of Mr Mohan Katre, director of the CBI [Central Bureau of Investigation]: "The information available at this stage does not show the involvement of any Indian residing in India or outside India or any Indian associates in the large payments amounting to 319 million Swedish Kroners." (JPC report, p. 144). It makes a mess of the claim repeatedly made, in Parliament and outside, by the Government of India—especially by the Prime Minister, Mr Rajiv Gandhi—to the effect that the Government of India was satisfied that "no Indians" were paid "any commissions" by Bofors in connection with the howitzer contract.

The evidence contained in the secret part of the National Audit Bureau's Report underlines the fact that the Swedish Government and the Prime Minister, Mr Ingvar Carlsson, consciously withheld from the Indian and Swedish people authoritative knowledge that the "No Win Chadha," "No Indians," "No Commissions," "Winding Up" story maintained by Bofors and the Government of India from mid-1987 was a piece of sheer fabrication.

### Official Accomplice

The classified document was presented to the Swedish Cabinet in early June 1987 by Ms Anita Gradin, the Foreign Trade Minister. The Foreign Minister, Mr Sten Anderson, repeatedly promised in 1987-88 that the "facts" would come out. In the only detailed interview on the Bofors-India affair given to any media representative to date, Mr Carlsson told V.K. Ramachandran in Stockholm in March 1988 that "it is only Bofors which can give a complete account of its own payments" and since "this is important for Sweden and for them," his Government had asked Bofors "to give any information they have." (Interview published in THE HINDU on March 14, 1988). What Mr Carlsson failed to say—in response to persistent questions about the credibility of the Swedish arms manufacturer's "No Indian," "Winding Up" story—is that he and his Government knew officially from at least June 1987 that it was patently false. The new material THE HINDU publishes today establishes, among other things, that official Sweden has been an accomplice in the crisis-management and cover-up efforts by those involved in the Bofors-India pay-off scandal.

The revelation of the fact that Mr Win Chadha was "the principal beneficiary in Svenska Incorporated"; that the post-contract payments would have continued to at least 1990 and climbed up to over SEK 770 millions (Rs 155 crores); and that the percentage "commission" payments carried an admitted link with the considerable achievement of overcoming the stiff competition and winning the SEK 8,400 million howitzer contract with India is in direct and damning contrast to the line developed jointly by Bofors, the Government of India and an assortment of crisis managers of an unofficial kind, especially Mr G.P. Hinduja.

If the whole interaction from June 1987 between Bofors and the Government of India can be understood by the public in terms of a "fixed" football match in which all the goals scored against India have been 'own' of 'self' goals (scored into the Indian goal by Indian boots or heads), it is now established that the Swedish official referee, Mr Ingvar Carlsson, has been an accomplice in the 'fixing' of the game.

### Deviation From Rules

Another important conclusion recorded in the secret part of the Report is that "in the National Audit Bureau's judgment, the commission payments in the circumstances concerning the recipient, mode of payment and other circumstances clearly deviate from existing rules and other foreign payments made by A.B. Bofors in recent years. A.B. Bofors' own organization was not used."

Furthermore, the confidential part of the Report draws material from the official record of the Swedish National Bank to establish that on top of the four payments totalling SEK 188,398,806 (2.24 percent of the contract value) made to Mr Win Chadha's Svenska Incorporated in 1986, Bofors was committed to paying "0.96 percent

of the delivery value to the agent at every delivery of Bofors to India," which meant installments of approximately SEK 10 millions in 1987, SEK 20 millions in 1988, SEK 20 millions in 1989 and SEK 10 millions in 1990. Thus the Svenska "entitlement" or "franchise" on the Bofors-India howitzer contract value was worth SEK 268.80 millions in all to Mr Win Chadha, who might have had to distribute some of this to "minor" partners.

#### Payments Halted

The three "entitlements"—two old ones going back to the late-1970s and one new-fangled one carved out in November 1985—on the contract value were known, according to documented evidence, to total at least SEK 772.80 millions. There can now be no doubt whatsoever that the secret payoffs would have climbed towards this high watermark had the whistle not been blown on the affair in April 1987. The official evidence discovered by the Swedish National Audit Bureau and contained in the secret part of its Report makes this absolutely clear.

Mr Morberg was a senior executive in Bofors during the presidency of Mr Martin Ardbo, the man who was most intimately involved with the payments and the enabling arrangements, who in March 1987 lost his job in the wake of a series of Bofors scandals involving various countries and who (in the company of Mr Hans Ekblom) is currently on trial in Sweden. Along with Mr Ekblom, Mr Morberg played a basically unquestioning lieutenant's role and was very much in the picture so far as the mysterious arrangements for the secret payments were concerned (although an attempt was made to distance him from direct knowledge of the affair in the proceedings before the JPC in September 1987 and in March 1988).

#### Sensitive Talks

When Mr Morberg became the acting president of Bofors in early 1987, much depended on the information he would be willing or obliged to reveal or conceal. Subsequently, he came twice to India in 1987-88 for highly sensitive, payoff related talks. According to General K. Sundarji's revelations published in India Today (September 15, 1989), Mr. Morberg was due to come to New Delhi at the head of a Bofors delegation in July 1987 to give the information the Government of India "wanted," before the Prime Minister, Mr Rajiv Gandhi himself scuttled the idea (leading to the resignation of Mr Arun Singh, the Minister of State for Defence).

In September 1987, Mr Morberg and Bofors' "chief jurist," Mr Lars Gothlin, "briefed" an official team comprising Mr S.K. Bhatnagar, then Defence Secretary, Mr P.K. Kartha, then Law Secretary, Mr G.K. Arora, then Special Secretary to the Prime Minister, and Mr N.N. Vohra, then Additional Secretary in the Ministry of Defence (the team was "assisted" by Mr T.K. Banerji, then Joint Secretary (Ordinance) in the Ministry of Defence).

In substance and small print, what Messrs Morberg and Gothlin told the official team—in the confidence that it would not be revealed publicly—was significantly at

variance with what Bofors and the Government of India (including the report by the Investigative Agencies contained in the JPC report) were pleased to put out to the public as the "substantial information" gained from Bofors and as "facts." Internally, in the confidential discussion with the Government of India, Mr Morberg changed his story on some vital points; this is revealed, most damagingly, in the detailed record of the discussion and in the two-way written communication now available to THE HINDU. This important fact, and specifically the discrepancies and contradictions recorded officially in the confidential communication, were "withheld" by the official Indian team and also by the "Investigative Agencies" from the JPC (before which Messrs Morberg and Gothlin testified in September 1987 and March 1988) and from the public. That, of course, is another story which will follow.

When in December 1986 Mr Morberg was called upon to visit the headquarters of the Swedish National Bank to explain the large and mysteriously coded payments which clearly deviated from the known procedures and practice within Bofors, the event was to prove fateful. This direct admission on the "commissions," on the details of the actual and future payments and on the Svenska-Chadha nexus was eventually to prove fatal to the "winding up" story—the alibi constructed weeks after the scandal surfaced in Sweden. Among other things, it appears to have triggered the original, morally outraged leak which brought the scandal to the surface on April 16, 1987.

The potentially explosive nature of Mr Morberg's confession of December 1986 was clear to the crisis managers within the company virtually from the start. In a confidential note, dated August 31, 1987 ("Memo Regarding Agreements for Representation in India"), which is in the possession of THE HINDU, Bofors prepared its senior executives for a line of tough questioning and provided specific "facts," in summary, on the recipient arrangements. In the section dealing with "Svenska Incorporated, Panama/A.B. Bofors" and the "winding up" claim this warning is recorded (after the reference to "86-05-06, 2.24 percent on advance payments + SEK 188,398,806"): "In this connection may be recalled Per Ove Morberg's conversation with the Swedish National Bank in December 86."

A question on the memorable event was raised by the official Indian team in the September 1987 discussion with Messrs Morberg and Gothlin (it was apparently raised by Mr Gopi Arora, who cited Chitra Subramaniam's report on the subject from Geneva, published in THE HINDU of June 3, 1987). Bofors' official reply to this question is interesting: "It is true that Mr Morberg called on the Swedish Central Bank in December 1986 to furnish clarifications in respect of the remittance of SEK 188 million to Svenska Incorporated. The need for these clarifications arose from the allegations of bribes/kickbacks having been paid in Singapore. The Swedish Central Bank had desired to know greater details of the remittance."

Significantly, the secret part of the National Audit Bureau's Report, dated June 1, 1987, confirms in every applicable detail and nuance the information contained in the mass of documents published, in facsimile form, *THE HINDU* in 1988 on the percentage payoffs and on the enabling arrangements for the payoffs involving Indians and others. In other words, there is complete internal consistency in the lengthening line of authenticated documentary evidence made available to *THE HINDU* by morally outraged sources in Sweden.

### The Marshi Link

For example, an attempt was made to deny the link between "Mr Emil Marshi" and the Tupil-Moresco-Pitco payment track; the doubts were fielded publicly at various points by Mr Marshi himself, the Hinduja, Mr Katre, Mr Rajiv Gandhi (in a magazine interview) and Mr Chidambaram (in Parliament). The secret paragraph 2b of the Audit Bureau's Report confirms the "Attn Mr Emil Marshi" arrangement for the "Tulip" payoff. That is to say, the same Mr Marshi whose name appears in the documents published in *THE HINDU* (April 22 and June 25, 1987) on the Pitco "entitlement" of 1979 and 1983 and on the "transferred" Moresco "entitlement" of 1984 resurfaces in connection with the "Tulip" payments of 1986—which were scrutinized, from the bank record, by the National Audit Bureau. The documents (going back to 1982 and 1984) published in *THE HINDU* established this irrefutable link: "Pitco C/o Sangam Ltd." and "Pitco C/o Mr G.P. Hinduja, Sangam Ltd." The authenticity of these documents, along with that of the others referred, was confirmed by Mr Ringberg in a telex message to Mr Katre in 1988 (See facsimile of Ringberg-Katre telex communication).

The ascending order of the admission by Bofors on the scale of the clandestine payments is interesting. In April 1987, soon after the sensational radio broadcast, the company admitted in confidence to the Government of India a payment of SEK 32 millions to "a Swiss company"; by September 1987, it was officially clear that the opening admission had understated the scale of the payoff by a mere factor of 10. In May-June 1987, Bofors claimed to the National Audit Bureau that the payments were of the order of SEK 170-250 millions—all "winding up" costs that had nothing whatever to do with the winning of the howitzer contract. At that time, the National Audit Bureau knew that firm, documented arrangements had been made for paying a multiple of the percentage sums which were actually paid in 1986; but it did not quite know that the payoffs in the post-contract period in 1986 had already risen to SEK 320 millions (Rs 64 crores).

The secret part of the National Audit Bureau's Report reveals the following detail. While the Svenska-Chadha "entitlement" was virtually an open book even at that time to those Swedish authorities who had privileged access to the information on record, the "Lotus", "Tulip" and "Mont Blanc" payments were not yet revealed to be on account of

the Moresco-Pitco (C/o G.P. Hinduja, Sangam Ltd.) "entitlement" on the howitzer contract value. The secret paragraphs suggest that the National Audit Bureau did not know much about the A.E. Services "entitlement" and payment angle at that juncture.

These angles were to become quite obvious to the investigators who followed up the National Audit Bureau's solid but incomplete work. The Prime Minister, Mr Carlsson, was probably being technically accurate when he told *THE HINDU*, in the interview published on March 14, 1988, that "we don't have any information that we have not given to the police or the Prosecutor." Moreover, documents that Bofors was obliged to part with under the Swedish laws plus a mass of papers seized during several searches in 1987 gave the police investigators and the Prosecutor, Mr Ringberg, an exceptionally detailed insight into the agreements between Bofors and the recipient companies, into the nature of the payments, and into the cover-up, crisis management efforts.

A variety of documents—including several revealing diary entries and handwritten notes on the payoffs, the crisis management efforts and the negotiations recorded by Mr Ardbo in 1987, which fell into the hands of the investigators—reveal the deep nervousness and concern felt by the odd coalition of crisis-managers (based in Stockholm and Karlskoga, London, Geneva and New Delhi) over the dangerous implications of the information recorded or retained by Bofors and the banks involved.

According to the handwritten record maintained by Mr Ardbo in fascinating and obsessive detail, he, "G.P.H." "GP, SP," "Hansson," "Bob" (Mr Bob Wilson of A.E. Services Ltd and Ciaou Anstalt), Mr Anders Carlberg (executive head of the Nobel group), Mr Morberg, Mr Gothlin, "Win" and various others interacted, clandestinely, on the management of the Bofors-India crisis. This record reflects a generally somber mood of nervousness, agitation, anger and, occasionally complacency and superficial elation.

For example, Mr Ardbo notes for September 30, 1987: "Carlberg phoned and wanted to have a meeting immediately. It concerned India. I called Hansson who was breathing fire and flames over Nobel's entering (recording) of the Indian deal. I stated quite clearly that I was not into forgery. The contract could go to hell." This entry was made following the visit to India in September 1987 by Messrs Mroberg and Gothlin to pass on "substantial information" to the Government of India and also depose before the JPC.

For October 13, 1987: "Enquiry with Ringberg and two policemen. The whole went ok, but I refused to answer concerning names. Evening home to Kkg. Win C called, Met Mats... home. There was also held and we heard about the enquiry. In the evening talked with Wilson and Hansson. Hansson scared and agitated in general. Doesn't believe in Swedes."

For October 15, 1987, Mr Ardbo records: "Talked with Sodemar, Planned visit to London, H will not see new faces."

The Ardbo diary entries and handwritten notes for 1987 provide an insight into a crude and incompetent cover-up strategy where the central story was riddled with inconsistencies and contradictions, quite different things were said to different people at various times, and the alibis tossed up for public consumption were quite unbelievable.

#### Credible Line Not Pursued

Another thing becomes clear virtually from the start and is evidenced by Bofors' whole attitude to the enquiry by the National Audit Bureau. On the face of it, fresh acknowledgement of the admitted Svenska-Chadha link and an attempt to explain the SEK 188 million percentage payoff into a secret Swiss bank account as an actual (although from an Indian legal standpoint illegal) "commission" payment made to a commercial Indian "middleman" would be the minimum expected from Bofors in the interest of maintaining elementary credibility in the defence. Why was this minimum 'credible' line not pursued?

The actual behavior of Bofors, and all the other parties—especially the Government of India and the Prime Minister, Mr Rajiv Gandhi—makes it obvious that "sacrificing" Mr Win Chadha nexus (which Mr Katre informally acknowledged to N. Ram of THE HINDU in June 1988) was by no means a safe option available on the crisis-management track. The live and present danger of going after Mr Chadha was compounded by the knowledge that the record showed that the Svenska "entitlement" (legally enforceable through a Bofors-Svenska Agreement which was valid up to September 30, 1987) had, in 1985-86, been inexplicably reduced from approximately 6 percent to 3.2 percent of the contract value. Mr Chadha, who had represented Bofors in India as the Sole Representative or agent from 1978 and had evidently worked hard, was clearly sold short on his "entitlement."

It is here that the entry of A.E. Services Ltd [AES]—with a new-fangled "entitlement" of 3 per cent that makes no rhyme or reason in any legitimate business sense—becomes extremely significant. For one thing, according to a note sent by Mr Bob Wilson to Mr Ardbo's lawyer on a confidential discussion held on the Ciaou-A.E. Services angle on October 10, 1987, "neither AES nor any of its associated companies had done any work within India prior to 8th March, 1986"—and the Bofors-India howitzer contract was won on March 24, 1986: A.E. Services quite obviously cuts into the deal, very late in the day (November 15, 1985), at the expense of an older "entitlement" and is paid for no demonstrable commercial service rendered. The crisis managers were quite aware that A.E. Services Ltd. was a smoking gun, if ever there was one.

What about Pitco-Moresco? Whatever specifics Bofors might have been willing to reveal at the start about the "commission" arrangements and the identities of the

recipients and beneficiaries, the others involved in the scandal could not afford to have the real nature of the Pitco-Moresco "entitlement" exposed—since there was no question of passing this off as a legitimate commercial transaction involving the performance of demonstrable services in return for which "commissions" might have been collected. The Pitco-Moresco "entitlement," the alibi constructed for it, the mysterious role of A.E. Services Ltd., and the major new facts available on these aspects—these constitute yet another story.

To sum up, while the Chadha-Svenska nexus took in payments which might have been linked, although illegally, with some kind of demonstrable service performed for Bofors by its agent in India for a fairly extended period, the facts admitted officially by Bofors plus the small print of the agreements and the payoff arrangements published by THE HINDU in June and November 1988 make it clear that the only visible "service", performed by Moresco-Pitco and A.E. Services Ltd was providing "safe" clandestine recipient arrangements and some kind of cover for the payoffs. There was no question of any of the three recipient arrangements receiving these big percentage payments had Bofors lost the India contract.

All this fits in perfectly with the original allegation broadcast by the Swedish National Radio on April 16, 1987 and also with what is on record in Mr Ardbo's interrogation sessions with the Swedish police investigators. In a report published in THE HINDU of April 8, 1988 from Geneva, Chitra Subramaniam quoted the key Swedish police investigator looking into the Bofors-India deal as telling her: "Martin Ardbo told me that if Bofors ended the relationship with the agents, then they (the company) would not have got the contract. The former president of Bofors was also quoted as saying that he and Bofors had been made "scapegoats" to protect the "big people."

#### Mass of Evidence

With a mass of unimpeachable documentary evidence in addition to a great deal of other material information in hand, the various aspects of the journalistic investigation of the Bofors-India payoff scandal can now be seen and judged as a coherent, internally consistent whole. A bona fide official investigation in India, backed by legal proceedings, could have got to these facts much quicker and brought those responsible swiftly to justice. As it stands, the authenticity of all the documents, without exception, which were referred by the Direction of the CBI, Mr Katre, to the Swedish Prosecutor, Mr Ringberg, has been confirmed in a telex communication dated October 20, 1988 (acknowledged belatedly and in a grudging way by the Minister of State for Home Affairs, Mr Chidambaram, in Parliament in 1989). the question now is how long the Government of India is going to take to "verify" the authenticity of the secret part of the National Audit Bureau's Report and other new documentary material available to THE HINDU.

The crisis-management of 1987-88 is a story of conspicuous incompetence, of more or less uninterrupted failure. The cover-up collapsed quite a while ago, even if the fact has not been admitted officially. It would be no exaggeration to note that knowledge of the secret paragraphs of the Swedish National Audit Bureau's Report is the final nail in the coffin of the "winding up" story—the centerpiece of the cover-up strategy.

### Secret, Sanitized Versions Compared

46001059 Madras *THE HINDU* in English  
9 Oct 89 p 11

[Text] What explains the big difference between the full Report of the Swedish National Audit Bureau and the sanitized version which was released to the public in June 1987?

On April 29, 1987, the Swedish Government (acting on a formal request from India) instructed the National Audit Bureau, after consultation with the Military Equipment Inspectorate, to carry out an audit of the records underlying Bofors' letter of April 24, 1987 to the Indian Ambassador in Stockholm. The letter essentially stated that the payments alleged in a broadcast by the Swedish National Radio had not been made to "any Indian company or Indian citizen" and had "no connection with the winning of the contract of 1986." It admitted that the payments referred to by the Swedish National Radio were "made to a Swiss Company", but maintained they were "completely legal."

For the purpose of its official enquiry, the Audit Bureau was authorized to go into any relevant material available with the Swedish authorities. Accordingly, it scrutinized the records maintained within the Swedish National Bank and another bank and quickly came to the heart of a scandalous payoff affair.

### Unacceptable Demand

Bofors came up now with the kind of explanation which was to form the basis for the "winding up" story, but shied away from the earlier offer of cooperation with the authorities by demanding the privilege of "absolute confidentiality" (which would imply, among other things, immunity from further legal proceedings) in return for revealing insider information on the large payments which it continued to understate. The Audit Bureau found this demand unacceptable and based its very damaging findings mainly on official information submitted by Bofors "in other contexts" to the Swedish National Bank and to the Skandinaviska Enskilda Banken. In the note forwarding the expurgated report of the Audit Bureau to the Government of India, the Swedish Government made it clear that "the details in the report are essentially based on information that the National Audit Bureau has obtained from the Bank of Sweden."

The Swedish National Audit Bureau has an image for independence and integrity despite the fact that, as the

central agency for accounting and auditing in the administration, it is subordinate to the Government and reports to it. It is associated with the Ministry of Finance and the Ministry of Civil Affairs.

The enquiry into the Bofors-India affair was handled personally by the Auditor-General of the Bureau, Mr Ingemar Mundebo, an experienced and respected public figure in Sweden. He was assisted by an experienced professional, Mr Bo Sandberg, a specialist on the fiscal side. In a public statement issued in Stockholm on June 1, 1987, the Audit Bureau made it clear that Bofors was "not willing" to allow it or a certified auditor access to the "background material" on the Bofors-India howitzer transaction which was specified by the Bureau. Therefore, it did not have access to much of the material that was made available to *THE HINDU* by authoritative sources in Sweden in 1988 and 1989.

### Secret Paras

Since banking secrecy requirements were involved, several paragraphs of the Audit Bureau's Report of June 1, 1987 had to be kept secret. This is seen clearly in the Report itself; in the Swedish Embassy's note to the Government of India while forwarding an expurgated version of the Report; and in the Prime Minister, Mr Ingvar Carlsson's observation in an interview to *THE HINDU* (March 14, 1988) that "in the report on the papers from the Central Bank, there is some information that was given to the Audit Bureau on the special condition that it was not published."

In fact, the extent to which the Swedish Government went to protect the sensitivity of the secret part of the Audit Bureau's Report was a talking point with the Swedish media at that time. Citing Swedish National Radio sources, Chitra Subramaniam reported in *THE HINDU* of June 5, 1987 that "every copy of the Audit Bureau's Report had been taken away by the Swedish Government, including notes and bits of paper the investigators worked on."

The classified document was presented in early June 1987 to the Swedish Cabinet for its enlightenment by Ms Anita Gradin, Foreign Trade Minister. This vital information of a very damaging nature, and very much more, reached the hands of the Prosecutor, Mr Lars Ringberg and the police investigators.

The sanitized version of the Report was forwarded officially to the Government of India and released publicly in India on June 4, 1987. However, the full Report was made available, according to documented information available to some key Bofors persons (including apparently the ex-president, Mr Martin Ardbo).

The Government of India did demand, formally, from the Swedish Government the full Report of the National Audit Bureau even as it demanded, formally, from Bofors "full information" on the payments and the

identities of the recipients. Behind the scenes, there were active efforts to ensure that nothing dangerous, by way of information, came out.

In practice, the public in India and Sweden was kept in the dark about the very specific admissions and information, and the deeply damaging findings, recorded in the secret part of the Audit Bureau's Report. The cover-up strategy—which had the “winding up” story as its centerpiece—was allowed to progress until the detailed evidence represented by the 100 or so items of documentation published by THE HINDU in April, June and November 1988 gave the lie to this line.

The Audit Bureau's Report is based on irrefutable evidentiary material and has a high status officially in Sweden.

Basically, the secret part of the Report comprises nine paragraphs (published in both the Swedish original and in English translation in this issue of the HINDU) which follow the statement, “From the material the National Audit Bureau has studied, it has retained the following.” These are paragraphs 1, 1a, 1b, 1c, 2, 2a, 2b, 3a, 3b, (para 3 was included in the sanitized version) and 4. It was essentially the solid information contained in these paragraphs and the Audit Bureau's critical assessments—especially the refusal to swallow the “winding up” explanation offered by Bofors—which triggered the launch of the preliminary investigation by Mr Ringberg, on the ground that there were reasonable grounds to suspect that the “offence of bribery” had been committed in the Bofors-India transaction. Mr Ringberg subsequently recorded the fact that he obtained no worthwhile cooperation either from Bofors or official India and that “a judicial inquiry similar to our preliminary inquiry concerning possible bribery offenses has not been commenced in India.” On January 28, 1988, he announced the withdrawal, or rather the closure, of his preliminary investigation.

Within a few weeks, the independent media in India were to pick up the story in a major way and a wealth of documentation surfaced—putting the parties to the scandal in deep trouble. The Swedish National Audit Bureau deserves considerable credit for moving the investigation forward in a significant way.

#### **Full Report Requested**

46001059 Bombay THE TIMES OF INDIA  
in English 10 Oct 89 pp 1, 3

[Text] The Swedish ambassador was called to the ministry of external affairs today and requested to secure confirmation from his government of the authenticity of certain “secret” portions of the report of the Swedish national audit bureau (NAB) on Bofors, withheld earlier.

This followed the publication in The Hindu today of the unrevealed portions. The envoy was asked to furnish a copy of the full report.

A defence ministry press note said the CBI [Central Bureau of Investigation] and other investigation agencies had been asked to look into the published material and “consider further action to be taken.”

The “secret” part, according to The Hindu, reveal that Bofors officially admitted to the Swedish National Bank in December 1986 that “the principal beneficiary” behind Svenska Incorporated, one of the three recipient front companies paid secretly in Switzerland, was “an Indian who has been an agent for Bofors for ten to 15 years. This, the paper says, is a clear reference to Mr Win Chadha, who represented the firm in this country from the seventies.

This portion, according to the daily, also confirms that commission payments to business or accounts in Switzerland were made to those took care of the Bofors FH-77 deal.

The ministry pointed out that it was after persistent requests from the Indian government that the NAB initiated an inquiry into the allegations “emerging from the Swedish radio broadcast and other media reports that certain payments had been made in connection with the Bofors contracts.”

The ministry said that the NAB report was received by the government officially through the Swedish envoy on June 4, 1987, along with a forwarding memorandum which stated that certain portions had been withheld because of their laws. The entire text of the NAB report, as received from the Swedish government, and the memorandum were released immediately on receipt. On June 17, the Swedish government was requested to make available the full particulars relating to the payments mentioned in the report. “All the previous statements which have been made in this regard in Parliament or outside were based on the material available. The nature of the available material and the reasons for the statements have been fully discussed in parliament on more than one occasion.”

The press note said the report published in the daily “makes unwarranted and tendentious allegations that the investigations were prejudiced. The investigations had been conducted in accordance with the law.”

The fresh revelations concerning Bofors are likely to set the pace for the proceedings of Parliament, which is scheduled to begin a brief session on Wednesday.

While the opposition parties were quick to seize the opportunity to intensify their attack on the government, the defence ministry stoutly contested what it described as “unwarranted and tendentious allegations” published in the daily.

The Bofors controversy has dominated the proceedings of Parliament since 1987. The demand for grants of any major ministry could not be discussed in the Lok Sabha because of the preoccupation of the house with the row.



While the atmosphere in the Lok Sabha is expected to be subdued on account of the resignation by most opposition members, the new revelations would certainly dominate the proceedings of the Rajya Sabha.

Official sources maintain that the controversy is being sustained because of inadequate co-operation from the Swedish government. The latter has taken the stand that it cannot reveal the full report of the NAB in view of its banking laws. The sources made it clear that India would really be happy if the full report was disclosed.

The sources said that the situation had been compounded by periodical leaks by a section of politicians and officials of the Swedish government. They maintained that the government was interested in getting to the bottom of the matter.

According to The Hindu report, the current president of A. B. Bofors, Mr Per Ove Morberg, told the Swedish National Bank that the "principal beneficiary in Svenska Incorporated is an Indian who has been an agent for Bofors for ten to 15 years. Whether there were other partners, Mr Morberg did not know".

The Morberg admission, the report says, was made after virtually all the percentage payments totalling nearly SEK 320 million (Rs 64 crores) had been made into secret Swiss bank accounts. The admission is recorded in the unrevealed portion of the report, it adds.

The NAB expressed the view, after studying various documents, that "commission payments to business or accounts in Switzerland were made to those who took care of the Bofors FH-77 deal. That these payments unquestioningly are related to this business is based on A. B. Bofors' written statement to the Swedish National Bank."

The NAB observed, inter alia, that "there was an agreement between A. B. Bofors and Svenska Incorporated concerning that settlement of the commission subsequent to the FH-77 deal and that considerable sums were paid subsequently to, among others, the Bofors' agent in India."

Meanwhile, the Janata Dal president, Mr V. P. Singh, today alleged that the documents relating to Bofors pay-offs published in The Hindu irrefutably confirmed the worst fears about the complicity of the Prime Minister, Mr Rajiv Gandhi, in the affair.

Mr Singh said the Prime Minister was a "national shame". "A sly operator is today occupying the high office of the Prime Minister of India, and his coterie and mafia are controlling the government."

The Janata Dal president was of the view that the Prime Minister of a country had to be the focal point of trust, but there had been nothing trustworthy in the conduct of the present Prime Minister for the four and a half years he had occupied the office.

Mr Singh claimed that it was now abundantly clear that Mr Gandhi could not be trusted with the nation's security and the sooner he was divested of it, the better. He said The Hindu had now confirmed and established a deliberate and sinister conspiracy to defraud the nation, endanger its security and conceal the Truth from it.

He said it was indeed unfortunate that senior bureaucrats, the Joint Parliamentary Committee and the Swedish government actively colluded in this, and deliberately and repeatedly misled Parliament and the nation. He felt that a clear and comprehensive criminal case of corruption, cheating and conspiracy had been made. He demanded that a case under the relevant provisions of the Indian Penal Code be registered immediately against all those who were prima facie guilty in the matter.

The Janata Dal president was of the view that on the basis of registering such a case, a formal request could be made to the Swiss authorities to provide full details of the transactions and the identities of the recipients of the millions of dollars paid out at various times.

Mr V. P. Singh also urged the President to take note of the latest revelations and act appropriately with the best interests of the nation uppermost in his mind. Asked what he expected the President to do, Mr Singh said the least he could do was to advise him (the Prime Minister) to step down.

He also appealed to the public and the different political parties to come together and formulate an appropriate response to this grave challenge to the nation's honor, integrity and security.

Asked whether he felt that The Hindu documents proved that the Prime Minister himself was guilty of receiving commission in the Bofors case, Mr V. P. Singh said: "The point is that he is a liar and we cannot have a liar as the Prime Minister of our country." Asked about the future strategy of the opposition parties on this issue, Mr Singh said the leaders of the various opposition parties in Parliament were meeting tomorrow.

Asked about his party's line on growing communalism in the country, Mr Singh said the emotional integrity of the nation was on trial today and under these circumstances the election as an issue could take a back seat.

### Gandhi Resignation Demanded

46001059 Bombay THE TIMES OF INDIA  
in English 11 Oct 89 p 1

[Text] New Delhi, Oct 10 (UNI & PTI). Opposition leaders, in the Rajya Sabha today demanded the immediate resignation of the Prime Minister, Mr Rajiv Gandhi, following what they called the latest revelations on payment of commission in the Bofors gun deal and his government's failure to check price rise.



They adopted a resolution to this effect while finalizing the strategy to be adopted in the Rajya Sabha for the extended monsoon session of Parliament commencing tomorrow.

It said the latest revelations in *The Hindu* on the deal closely following General K. Sundarji's interview to the *India Today* "have thoroughly exposed the Prime Minister and nailed all the lies and falsehood indulged in by him during the last two and a half years".

"It is now crystal clear" that the Prime Minister and the defence minister, Mr K. C. Pant, had "knowingly and deliberately persisted in misleading the highest forum of the land, Parliament, and the people in general to cover up the greatest scandal in the post-Independent India," the resolution said.

The resolution said the various statements made by the government regarding "commission", "middlemen", the involvement of Indians and other allegations in connection with the deal "have now proved to be blatant lies. It is not only a shameful episode but also a matter of grave concern affecting the security and defence of the country, it added.

"Apart from corruption in defence deals, there is widespread corruption in the imports of essential commodities leading to abnormal rise and artificial scarcity. The unprecedented spurt in prices of sugar, edible oil, rice and other essential commodities have made the life of the common man miserable. The nation is not safe in the hands of the present ruling clique," the resolution said.

The opposition leaders also expressed concern over the "deteriorating" communal situation in various parts of the country, particularly in the Congress-ruled states. They appealed to the people to maintain peace and harmony despite provocations by vested interests.

Besides the issues of Bofors, communal situation and price rise, they decided to raise nine other subjects during the session. They are: The "Center's encouragement" of the Bodo agitation, the Indo-Sri Lanka accord, Indo-Nepal relations, the alleged "misuse" of Doordarshan and All India Radio by the ruling party at the Center, the mega issue of debentures by certain companies, functioning of the election commission, delay in holding assembly elections in Punjab and Karnataka, the Jammu and Kashmir situation and mishaps involving Vayudoot aircraft.

Those who attended the meeting were National Front convener, Mr V. P. Singh, Mr M. S. Guruswamy (Janata Dal), Mr E. Balanandan and Mr Dipen Ghosh (CPM [Marxist Communist Party]), Mr P. Upendra, Mr M. G. Vijaya Mohan Reddy and Mr B. Satyanarayan Reddy (Telugu Desam), Mr Atal Behari Vajpayee and Mr L. K. Advani (BJP [Bharatiya Janata Party]), Mr N. E. Balram and Mr Chaturanan Mishra (CPI [Communist Party of India]), Mr Murasoli Maran and Mr T. R. Balu (DMK [Dravidian Progressive Foundation]), Dr Nagen Saikia (AGP [Assam People's Council]), Mr J. S. Aurora

(Akali Dal), Mr Chitta Basu (Forward Bloc), Mr A. L. Basumatari (Congress-S) and Mr A. P. Gautam (Ind).

Left parties decided to raise the communal situation as a major issue during the monsoon session tomorrow alleging that the ruling party had totally failed to provide protection to the minorities in the country.

The leaders of the CPM, CPI, Forward Bloc and the Rashtriya Socialist Party met here to take stock of the political situation in the country.

Meanwhile, the Rajya Sabha member and suspended Congress leader, Mr Chimanbhai Mehta, today called upon Congressmen to insist on a change of leadership and asked the opposition to remain united in the light of the new disclosures relating to the Bofors gun deal. Stockholm (Swedish News Agency TT): Mr Per-Ove Morberg, the then president of Bofors, has said that he does not recall telling the National Bank of Sweden in December 1986 that an Indian citizen was the owner of Svenska Inc., the Panama-registered company said to have received a commission of Swedish Kronor 188 million (approximately Rs 46 crores) from Bofors in May, 1986 as part of the Howitzer deal with India.

Mr Morberg confirms that the ownership of Svenska was on the agenda during a meeting at the National Bank of Sweden in December 1986 but claims that he did not know, and still does not know, who the owner of the company was.

He also claims that neither he nor anyone else at Bofors has seen the report on the audit bureau.

### Defense Ministry Statement

46001059 Madras *THE HINDU* in English  
11 Oct 89 p 1

[Text] New Delhi, Oct 10. The following is the text of the Defence Ministry statement on the report in *The Hindu*.

The *Hindu* of 9th October, 1989 carries a report on some aspects of the Bofors transaction. In this regard, the Ministry of Defence would like to clarify some significant facts. The report extensively quotes from what are stated to be extracts from secret parts of the report of the SNAB [Swedish National Audit Bureau] which the Swedish authorities declined to make public.

The Swedish Government initiated the enquiry by the Swedish National Audit Bureau (SNAB) in response to persistent requests made by the Indian Government for a full enquiry into the allegations emerging from the Swedish Radio broadcast and other media reports that certain payments had been made in connection with the Bofors contract.

The report of the Swedish National Audit Bureau was received by the Government of India officials through the Swedish Ambassador in New Delhi, on 4th June, 1987 together with a forwarding memorandum. It was officially stated by the Swedish Government in that

memorandum that certain portions of the SNAB report had been withheld by them because of their laws.

The entire text of the Audit Bureau report as received from the Swedish Government as well as the forwarding memorandum were released immediately on their receipt. The Government further requested the Swedish Government on June 17, 1987 to make available the full particulars relating to payments mentioned in the report of the SNAB.

All the previous statements which have been made in this regard in Parliament or outside were based on material available. The nature of the available material and the reasons for the statements have been fully discussed in Parliament on more than one occasion.

The report in The Hindu makes unwarranted and tendentious allegations that the investigations were prejudiced. The investigations have been conducted in accordance with the law.

Consequent on the publication of the report in The Hindu today (Monday), the Swedish Ambassador was called to the MEA (Ministry of External Affairs) and requested to obtain the confirmation of his Government of the authenticity of the secret portions of the SNAB report as published in The Hindu and to furnish a copy of the full report of the SNAB which has been withheld thus far.

The CBI [Central Bureau of Investigation] and other investigating agencies have been asked to look into the contents of the material published and consider further action to be taken.—PTI

(Enough has been written, supported by extensive documentation, in The Hindu to establish the fact of the cover up and the non-serious pursuit of the investigation by the official agencies and give the lie to the Government's latest assertions.—Editor, The Hindu).

#### **Ram Accuses HINDU Editor**

46001059 Bombay THE TIMES OF INDIA  
in English 13 Oct 89 pp 1, 3

[Text] New Delhi, Oct 12. The associate editor of The Hindu, Mr N. Ram, who has played a leading role in exposing the illegal pay-offs in the Bofors gun deal, today accused the editor of his paper, Mr G. Kasturi, of aborting the latest investigative series on the subject after being pressurized by the government.

He also made the startling disclosure that Bofors pay-offs were a whopping 14.5 percent of the contract value, or Sek 1,218 million, and not three percent of the contract value as was believed. He said there was conclusive evidence to prove this. He also had in his possession "very interesting" tapes of conversations with certain interested individuals, including Mr G. P. Hinduja.

Mr Ram told a crowded news conference here today that Mr Kasturi's decision to block publication of the series

was "arbitrary, capricious, and derogatory to the traditions, norms and values of independent, ethical journalism". From a moral standpoint, Mr Ram could no accept such opportunistic censorship, he said.

The first report in the series appeared on October 9 with the promise: "To be continued". In this report Mr Ram and Ms Chitra Subramaniam disclosed portions from the Swedish national audit bureau report which have been held, back from the Indian government. The second report was to be published on October 11 but was not.

In an unprecedented move, Mr Ram announced his decision to carry forward his fight through the "unconventional" step of offering the withheld reports to other "influential newspapers on a broad, representative basis". Censorship by The Hindu should not prevent readers from learning about the latest findings on the Bofors pay-offs, he said.

Though Mr Ram could not tell the exact nature of pressures put on The Hindu by the government, he said the "coup" that is, a change in his editor's attitude towards the investigative reports—was worked behind his back. The pressures must have been brought on the paper in September this year, he added.

Mr Ram was ruthless in his criticism of Mr Kasturi for having yielded to pressures. "Mr Kasturi has been a severe obstacle in the path of conducting this important journalistic investigation, and especially the business of publishing documents and articles in detail on Bofors," he said.

Asked if he would quit The Hindu in the light of his glaring differences with the editor, Mr Ram said "no". It was his right to attend office and carry on with his writings. And he would exercise his rights, he said. Interestingly, Mr Ram is a nephew of Mr Kasturi. Both of them are co-owners of The Hindu.

Mr Ram dealt at length on the larger issues involved in this case. "The larger issue here is whether the people have a right to know on a vital and major national and ethical issue and whether journalism must essentially fix its professional norms and values around this right. I am taking essentially an ethical stand on the intellectual and professional issues at stake. Therefore, I must speak out," he said.

His decision to release the aborted reports to other newspapers—something which is never done openly in journalism—should be seen in this context. For, this constituted a practical step to counter the internal "sabotage and censorship".

It is learnt that the second installment of the withheld reports—which is to appear in certain newspapers tomorrow—deal with the meeting a team of Indian officials, including the then defence secretary, Mr S. K. Bhatnagar, and the finance secretary, Mr G. K. Arora, had with Bofors officials, Mr Per Ove Morberg and Mr Lars Gothlin.

Mr Ram and Ms Subramaniam have been able to get a copy of the minutes of the meeting and, according to sources, are able to establish that the Swedish officials connived with their Indian counterparts to cover up the investigations on the kickbacks that were being carried out by Indian agencies.

On his part, Mr Ram did not divulge anything about the nature of his forthcoming reports at the press conference. He, however, gave a detailed account of how various officials, ministers and influential NRI [Nonresident Indian] businessmen met him in the course of his investigations, while some of them tried to persuade him to cool off his investigative ardor.

Among the people who met him were the Prime Minister, Mr Rajiv Gandhi, Mr K. C. Pant, Mr G. K. Arora; the PM's press secretary, Mr G. Parthasarathy, the CBI [Central Bureau of Investigation] chief, Mr Mohan Katre, the matinee idol, Amitabh Bachchan, and the NRI businessman, Mr Gopichand Hinduja. In chronological order the first meeting was with Mr Arora.

This was soon after the first round of investigative reports during the AICC [All India Congress Committee] session in Madras, Mr Arora met him and discussed the Bofors issue. He also asked Mr Ram several questions. To his surprise, Mr Ram found the same questions being put to him when the granted an interview to a Calcutta-based newspaper, The Telegraph. "I sensed Gopi Arora was not playing straight," he said. He conveyed to the official that his journalism was not negotiable.

Soon afterwards the defence minister, Mr K. C. Pant, met Mr Ram at a defence function in Madras. The minister told him that the reports appearing in The Hindu were not quite correct. During the conversation, Mr Ram discovered that the minister had not even read the reports. He, therefore, told Mr Pant: "Why do you accept the burden of defending the indefensible?"

In June 1988 came the next feeler from the government. Mr G. Parthasarathy rang up Mr Ram to ask him whether he could meet Mr Katre. Apparently, Mr Katre sought his cooperation in getting to the bottom of the kickbacks. When Mr Ram met the CBI official, the latter told him that he had told the Prime Minister that The Hindu documents were authentic. Mr Win Chadha was linked to Svenska, one of the pay-off recipients, he told Mr Ram.

Later that month, when Mr Ram came to Delhi, there was another request for a meeting with Mr Katre. At this meeting, Mr Ram got the impression that the official was seeking to cover up the Hinduja's links with the illegal payments. During the same visit, Mr Arora wanted to meet Mr Ram.

When he met Mr Arora, the latter discussed with him the situation in Sri Lanka but at the end of the meeting asked whether he could stay back for the night and meet the Prime Minister, Mr Ram agreed.

The meeting with Mr Gandhi was for one hour and 20 minutes. The first part was devoted to Sri Lanka. Mr Gandhi requested Mr Ram to carry a message to the then Sri Lankan President, Mr J.R. Jayewardene. Mr Ram accepted the assignment. Then they discussed the Bofors gun deal.

According to Mr Ram, he put the Prime Minister in the picture and indicated to him that any effort to cover up the pay-offs would be futile. Already, he has some evidence on the pay-offs in the name of A.E. Services. On his part, Mr Gandhi sought his cooperation in the investigations.

Mr Ram said the government, however, did not seek any cooperation from him. He met several officials thereafter, including Mr Parthasarathy but no purposeful talks were held. He denied that the President, Mr R. Venkataraman, ever tried to put pressure on THE HINDU.

The journalist was very critical of the Swedish Prime Minister, Mr Ingvar Carlsson, who allegedly mislead both the Swedish parliament and the Indian government on the Bofors pay-offs. He knew about the Swedish national audit bureau report but did not divulge its contents. Instead, he sent a sanitized version of it to India.

Mr Ram said Mr Carlsson had said several damaging things in his interview with THE HINDU held early this year. He perhaps did so unwittingly, he added. The interview was organized by Mr G.P. Hinduja who, however, later tried to doctor the interview. These pressures were repulsed by THE HINDU.

Mr Ram warned that the exposure of the Bofors pay-offs was a continuing story, indicating that much more on it would come out. He also paid handsome compliments to his co-author, Ms Subramaniam, for her fearless and dedicated journalism.

Meanwhile, the Janata Dal president, Mr V.P. Singh, claimed here today that as the pressure put on THE HINDU demonstrated the present government represented a threat to the freedom of the press.

Mr Singh, who was addressing a press conference along with other opposition leaders, paid rich tributes to Mr Ram for upholding the highest traditions of journalism and showing the courage of his convictions. He said Mr Ram had not only upheld the highest ethical values in journalism but also exposed himself to grave risk to serve the country. He also paid tributes to Ms Subramaniam.

He said the very fact that Mr Ram had talked of pressure being put on him by people "highly placed in the present set up" to stop the publication of the Bofors documents showed that the government was interested in a cover-up job. Mr Singh said: "To bring pressure to bear on a journalist and to seek to suppress news and information reeks of authoritarianism." He felt that to save one man's job all norms were being flouted.

Mr P. Upendra of the Telugu Desam was of the view that bringing pressure on journalists indicated the "guilty conscience" of the government. He said this was also

clear from the fact that the government was avoiding a discussion in the Rajya Sabha on the Bofors issue. He felt that the government had much to hide or else it would not prevent a debate despite several requests.

Mr L.K. Advani president of the BJP [Bharatiya Janata Party], said while up to now the two main issues before the nation were corruption and national security, Mr Ram's press conference added a new dimension to the national agenda, that of the danger to the freedom of the press. He said: "Offenses at high places exact a high price but cover-up operations at high places exact an even higher price."

The BJP president said: "I see no way for this government to continue even after this. They should have resigned much earlier." He felt that the Indian press had acquitted itself very well in the Bofors case and that the nation ought to be proud of it. "Today is a red-letter day in the history of Indian journalism," he declared.

Mr Dipen Ghosh of the CPM [Marxist Communist Party] felt that by preventing a debate in the Rajya Sabha on the Bofors issue, despite the fact that the chairman was inclined to allow it, the government was "trampling on the chairman's right to admit an issue for debate."

Meanwhile, the Rajya Sabha chairman, Mr S.D. Sharma, informed the opposition members that their demand for a discussion on the gun deal is under consideration.

The chairman made this observation in response to the leader of the opposition, Mr M.S. Gurupadaswamy, who sought sufficient time for a discussion on the subject.

The opposition parties will soon launch a country-wide movement to force the government to resign in the wake of the latest "revelations" on the payment of commission in the gun deal.

#### Notice Served on Ram

46001059 Bombay *THE TIMES OF INDIA*  
in English 14 Oct 89 p 1

[Text] New Delhi, October 13: The associate editor of *THE HINDU*, Mr N. Ram, who created a sensation yesterday by alleging that the government had put pressure on his editor to abort the series of Bofors exposes, has been asked by the government to assist the CBI [Central Bureau of Investigation] in its investigations on the Bofors pay-offs.

A notice was served on Mr Ram today, asking him to appear before the CBI in this connection. In Parliament, the defence minister, Mr K.C. Pant, also announced the government's intention to enlist Mr Ram's cooperation in the investigations. He, however, did not disclose that a letter had already been dispatched to him.

#### STATESMAN Awards Ram

46001059 Bombay *THE TIMES OF INDIA*  
in English 14 Oct 89 p 21

[Text] New Delhi, Oct. 13 (UNI): Mr C.R. Irani, managing director of *THE STATESMAN*, yesterday presented the "Statesman medal" to Mr N. Ram, associate editor of *THE HINDU*, for his outstanding contribution as a journalist.

He pinned the medal on Mr Ram at a crowded press conference, where the latter expressed his annoyance at the attitude of his editor, Mr G. Kasturi, in regard to the publication of Bofors documents.

Mr Irani complimented Mr Ram for showing a "great courage".

The medal carries a quotation from Emerson: "For what avail the plough or sail or land or life, if freedom fail?"

#### PAKISTAN

##### Benazir Severely Criticized

90OI0035A Lahore *SIYASI LOG*  
in Urdu 16-23 Oct 89 p 7

[Article by Abdullah: "Does Such a Woman Have the Right? How Can a Party Whose Policy Is Based on Lies, Murder, Plunder, and Prejudice Hurl Accusations Against a Pious Man?"]

[Text] Night or day, awake or asleep, sitting or standing, inside the country or outside, the prime minister of Pakistan, her cabinet, and members of the assembly curse the former president of Pakistan, general Ziaul Haq, and level unjust accusations against him. They call him autocrat, usurper, tyrant, and dictator; but while saying these things, they should sometimes look in the mirror to see what they are themselves.

A woman [Benazir Bhutto] whose youth was spent among western young men; who had Jewish boyfriends with whom she went on picnics and holidays; who went hiking with the son of Marcos, the dictator of the Philippines; who fled the country when the party was going through bad times; whose days and nights were spent in London's most luxurious areas and expensive hotels; who frequented notorious clubs for fun; whose manifesto was based on lies, hatred, revenge, atheism, nepotism, enmity towards the country, intense selfishness, cunning, and intrigue; who appointed a Qadiani as ambassador to the United Nations; who has the guardians of the honor of the prophet fired upon; promoted relations with the Hindu enemy of the country and held secret meetings with him; who regarded the United States as her patron even though that country turned its back upon its friendship with Pakistan in its hour of need, and who thought it necessary to obtain a certificate of democracy from President Bush.

A woman who obtained votes in the name of the people but demonstrates her enmity towards the people; who shouted slogans of bread, clothing, and shelter, but deprived the people of these basic necessities and presented them instead with shots, shrouds, graves, and high prices and who tried to destroy the critics of the government.

A leader in whose party elections for leadership were never held but where imperialism ruled and where the standards set up for the office holders consisted of expertise in lying and fraud; murder and patronage of murderers; constant praise, night and day, for the Bhutto ladies and support for their every word and deed, whether legitimate or not and the ability to prove that right was wrong and wrong right. A woman who prided herself on breaking her promises; who won elections through fraud and declared them just and free but when she lost the election to her opponent in spite of fraud, accused him of trickery.

She is a ruler who taunts others with being provincial but is one herself; who patronizes linguistic and terrorist organizations; who talks of federation in Punjab but, in Sindh, talks of enmity between Sindh and Punjab; who seeks friendship with Israel and India under cover of the organization of democratic countries; who calls punishments imposed under Islamic law cruel, tyrannical, and immoral; who attacks the freedom of the press and judiciary; who rewards with medals, money, honor, and high office those who orphan children, widow women, deprive parents of their children and thus their support and destroy the country's property.

[A woman] whose father was responsible for breaking the country into two; who drank, killed prominent people, exhibited the worst kind of tyranny under the guise of democracy; who exceeded all bounds to destroy his opponents. Her mother danced with president Ford, spent most of her time eating and drinking in famous hotels; who is ignorant of the basic tenets of Islam; who is a walking, talking example of a western woman and an inveterate liar.

[Benazir Bhutto is a woman] whose brothers have earned the titles of successful hijackers, armed robbers, and looters; who were involved in activities inimical to the country; who hijacked planes and mistreated the innocent passengers; who set off bombs in the country killing many people and causing financial losses of billions of rupees; who are connected with some of the world's most notorious terrorists; who live high on the hog in the world's most expensive hotels and clubs.

Does such a woman have the right?

To attack day and night a man [Zia] who was pious; a fighter for the truth; another worldly person who came to the aid of the country when it was at the brink of destruction, brought there by a democratic dictator who had already divided the country into two.

To oppose a man [Zia] who cried and prayed for the welfare of the country and the people at God's house and the prophet Mohammad's mausoleum; who never missed his midnight prayers; who, for the first time in the United Nations General Assembly, started his speech by reciting from the Holy Koran; who directed all his efforts towards bringing an Islamic system to the country and saving it from fascism; in whose presence the Hindu moneylender, Rajiv Gandhi, became very nervous; who ignored Gorbachev's worst threats; who preferred to trust God rather than seek help from Reagan and Bush; who wanted to unite Islamic countries, and who gave his life to force Russian troops to make an ignoble withdrawal from Afghanistan; who wanted freedom for Kashmir and refused to accept Indian hegemony.

Who [Zia] never placed his personal interests above those of the country; who was not enamored of wealth; who shunned a luxurious way of life; who showed affection for the poor, the widowed, the helpless, and the orphaned and suffered when they suffered; whose personality was like a cloud which rained on thorns as well as flowers.

Madam prime minister! Have you ever come face to face with your conscience? Have you ever looked at yourself in the mirror! If not, then you should, for you will then find that all those charges you constantly recite apply to yourself.

Lady! Lie as much as you want to, but calling a crow white does not make it so; calling a murderer a martyr does not make him one; evil may taunt good and darkness try to prove that it is superior to light, but to no avail. Evil will remain evil and darkness will not change to light.

The people cannot be left in the dark for long. The day will come when they will become apprehensive and rebel, and then they will change darkness into light.

### Hindu Influence in Sindh

90OI0035B Lahore SIYASI LOG  
in Urdu 16-23 Oct 89 p 7

[Letter from Sindh by Abdul Raouf Khan Kaushal: "Since the Assumption of Office by the Pakistan People's Party, Sindh Is Virtually Under Indian Rule," under by-line, "Letters, opinions and complaints from the readers; the editor does not necessarily agree with the opinions expressed in the letters"]

[Text] Dear Editor, greetings.

First on behalf of the patriotic people of Sanghar district and myself, I would like to congratulate you on the fact that SIYASI LOG has brought our situation to the attention of the people of Punjab and most other parts of the country. The whole of Sindh is on fire and Pakistan's enemies, with the full backing of the government, are cutting the country's roots. Nevertheless, 17 August, the first anniversary of the death of the martyred Ziaul Haq was observed in Hilal Masjid, Matthi Khohi, and other localities. Recitations of the Koran and prayers for the martyrs of Bahawalpur were held in several places and

food was distributed among the poor. In addition to Sanghar, the anniversary was observed in Shahdadpur and Tanduadam and in almost all towns and districts both big and small.

The conditions all over Sindh are very serious. In Hyderabad, hoodlums belonging to JASAF [Jiye Sindh Student's Federation] and SPPAF [Sindh People's (Student's) Federation], who enjoy the full support of the Sindh police and officers, come from their hiding places in Qasimabad and other areas and after attacking with automatic weapons, leave. When the army arrives and asks the local administration officials about the hoodlums, the officials give them the names of the Muhajirs. The army takes action against the Muhajirs by breaking into their homes and mistreating even the women and children. Thus the Muhajirs suffer oppression from both the hoodlums and the army.

Since the majority of the army is composed of Punjabis, the supporters of Sindhu Desh are creating hatred among the Muhajirs towards the Punjabis, thus killing two birds with one stone. It is widely believed in Sindh that a commission has been formed in India to advise the Indian government on ways to break up Pakistan and to take effective measures to accomplish this objective. The commission reported that as long as Punjab was not destroyed, it would be difficult to destroy Pakistan. That was why 70 percent of the budget of the Indian RAW [Research and Analysis Wing (Intelligence Agency)] organization is spent on creating disturbances and terrorism in Punjab. Since the day the Pakistan People's Party [PPP] came into office, it has seemed as though India is ruling Sindh. Hindu hoodlums run around boldly, and many Hindus have returned from India and forcibly seized lands claimed by the Muhajirs.

The Hindus have the full support of the hoodlums of Sindhu Desh and the PPP. In several areas of upper Sindh, Sindhu Desh flags are flying over government buildings. In government offices, Quaid-i-Azam and Pakistan are reviled in the presence of the high official in charge of key posts and Sindhu Desh songs are sung. Patriotic Sindhis are abused. Nawab Shah's Ghulam Mustafa Jatoti is called Chaudhry meaning Punjabi because he is said to have won the election on Punjabi votes. He is cursed by members of the PPP and JASAF. In Sindh, the role of the PPP is identical to that of Jiye Sindh. The PPP leaders fool the people in Punjab and please them by talking of federation. The Punjabis who have achieved high offices in the PPP by staying in it are selfish and greedy. They remain silent even though they know what is going on and covertly serve their own interests. They do not realize what their fate would be if, God forbid, Pakistan should be no more. Tired of oppression and mistreatment by the hoodlums of Sindhu Desh and the PPP, innumerable Muhajirs and Punjabis have been forced to leave many areas of Sindh. When

Aitzaz Ahsan, the minister of the interior, came to Sanghar, the patriotic people of the area gave him a list with details of more than a thousand families who had abandoned their property and goods and left to save their lives. At that time, the minister said openly that undoubtedly, the supporters of Pakistan in Sindh were suffering great persecution. But, regrettably, this same minister, to save his job, said on returning from Sindh that no one had left the province and all was well. Innumerable Sindhi speakers in Sindh support Pakistan and want to see it strong and prosperous, but they are worried and say that the PPP government is conspiring with the Indian government to destroy Pakistan.

The hoodlums of Sindhu Desh and the PPP continue to massacre people in various towns in Sindh. It has been reported that in some places, commandos come from India with the collusion of the Sindh government and spend the night in the houses of PPP members. The next day they are escorted across the border with great respect. Hoodlums of Jiye Sindh and the PPP have built strong barrack style areas and stocked them with all kinds of fearful weapons. On the other hand, the houses of Muhajirs and Punjabis are raided and they are harassed and dragged into litigation on trumped up charges.

The proud people of Pakistan! The energetic people of Punjab! What are you thinking of? Why are you asleep? We, the people of Sindh, may very well be destroyed, but remember that the enemies of Pakistan intend to raze you to the ground as well. Today, the situation in Sindh is worse than that of India. There is only one solution to the problem: the people should unite and change this government which is the enemy of the country.

Abdul Raouf Kaushal 313/7 Gulshan Rashid, Sanghar, Sindh

### Seraiki Party Seeks Support

46000046E Karachi DAWN in English 20 Nov 89 p 6

[Text] Muzaffargarh, 19 November—Pakistan Seraiki Party has called upon the elected representatives of "Seraiki belt" to wage a struggle for constitution of Seraiki province so that usurped right of the people could be restituted.

This was stated by Mr Muzaffar Hussain Magassi, Central Secretary for Labour Affairs while addressing a workers' rally.

He lashed out at Maulana Fazlur Rehman for opposing the Seraiki province and calling it a linguistic movement. He said division of Punjab into two or three provinces was in the interest of the Federation.

He said the Seraiki movement enjoyed the backing of not only Seraiki speakers, but people of other regions as well.